



# City of **BRISBANE** California



For the  
Fiscal Year  
Ended  
June 30, 2019

## Comprehensive Annual Financial Report

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**CITY OF BRISBANE**  
**CALIFORNIA**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED JUNE 30, 2019**

**Prepared by:**  
**City of Brisbane, Finance Department**  
**Stuart Schillinger, Administrative Services Director**

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## CITY OF BRISBANE

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Brisbane, California 94005-1310  
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March 10, 2020

To the Honorable Mayor and City Council, and Citizens of the City of Brisbane:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Brisbane for the fiscal year ended June 30, 2019. This report is published to fulfill the California state law requirement for an annual report prepared strictly in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report was prepared under the direction of the City's Administrative Services Department. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with management. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included.

Maze & Associates, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatements. They issued an unqualified ("clean") opinion on the City's financial statements.

The CAFR is organized and presented in three major sections:

- The **Introductory Section** includes this transmittal letter, the City's organizational chart and a list of the City's principal officials. This section is intended to familiarize the reader with the organizational structure of the City, the nature and scope of services it provides, and the specifics of its legal operating environment.
- The **Financial Section** includes the independent auditor's report, management's discussion and analysis, basic financial statements, notes to the basic financial statements, required supplementary information and supplementary information on non-major funds. The basic financial statements include the government-wide financials that present an overview of the City's entire financial operations and the fund financial statements that present the financial information for each of the City's major funds, non-major governmental and other funds.





- The **Statistics Section**, which is unaudited, includes selected financial and demographic information.

The notes to the financial statements are provided in the financial section and are considered essential to fair presentation and adequate disclosure. The notes include the summary of significant accounting policies for the City and other necessary disclosures of important matters relating to the financial position of the City. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management's Discussion and Analysis (MD&A) section found immediately following the report of the independent auditors. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

## **PROFILE OF THE CITY**

The City of Brisbane is a community of 4,282 residents (2010 census) situated in Northern San Mateo County on the west side of San Francisco Bay. Brisbane borders the cities of San Francisco, Daly City and South San Francisco. The San Bruno Mountain range surrounds Brisbane to the west and the San Francisco Bay is the easterly border of the city. Due to the natural topography, there is no standard lot size or share for much of the city and thus the housing in Brisbane is much more individualistic, free from the multiple housing tracts seen in many cities. There is intense town spirit and pride and friendliness that would be expected of a small community within sight of the San Francisco skyline. The Council and community prides itself on being environmentally-progressive, for which it has received many awards, and respecting and caring for all individuals in the community.

The City has operated under the Council-Manager form of municipal government since it incorporated in 1961. The City Council is comprised of five members elected at large to four-year terms. Traditionally, two Council members were elected in November of one odd-numbered year and three were elected in the following odd-numbered year. However, based on a recent change to State Law to hold elections on even-numbered years, the City Council agreed in June 2017 to consolidate the City's general municipal elections with the statewide election date commencing November 2020. As a result, terms will be shortened to three years for one term for those elected in November 2017 and 2019. The Council selects the Mayor from its members. The City Manager is appointed by and serves at the pleasure of the City Council. The City Manager is responsible for implementing the policy decisions of the City Council and supervising all operations of city government.

The City of Brisbane provides a wide range of municipal services, including police and fire protection, water and sewer utilities, street maintenance, parks and recreation, planning, building and safety, marina and other general government services.



## **FACTORS AFFECTING FINANCIAL CONDITION**

The information presented in the financial statements is best understood within the specific environment the City operates.

### **Local Economy**

The City is part of the general San Francisco/Silicon Valley area with a largely commuter workforce. The City's primary business is wholesale building materials. Brisbane sees most of its sales tax revenue from construction operations. A handful of businesses that make up a sizable portion of City revenues with the five largest Sales Tax producers are slightly over 66 % of all Sales Tax collected.

A business license tax for a large recycling firm that wants to expand within the city limits was approved by the voters in November 2011. In November 2017, voters passed an increase to the business license tax on recycling establishments. The vote increased the maximum tax to \$4 million per year, with increases thereafter based on an inflationary formula.

Another business license tax for liquid storage tanks was enacted November 2013. Subsequent to June 2018, the City reached a settlement with SFPP doing business as Kinder Morgan in regard to a lawsuit brought on to challenge the methodology of this business tax. The agreement proposes to change the basis for the tax from a cubic feet of storage space to the basis of per gallon of delivered fuel and adding an annual cap. This change is scheduled to be presented to voters at the November 2019 election.

In November 2017, voters passed a new business license tax for soils processing businesses. The measure authorizes a tax of a minimum of 20% of gross receipts or \$200,000. The minimum is set to increase by CPI each year.

In addition, the City's room tax revenues are generated by the two hotels located at Sierra Point.

In November 2019, the City is scheduled to present a cannabis business license tax to its voters, establishing a tax on the gross receipts of cannabis businesses.

Located within the limits of the City of Brisbane is the "Baylands" -- one of the largest (over 500 acres) undeveloped commercial parcels of land within San Mateo County. This parcel is contiguous with the boundaries of the City/County of San Francisco and is located within seven minutes of the San Francisco International Airport. The development of this parcel is expected to take place over the next 30 years. In November 2018, Brisbane voters decided to amend the City's General Plan related to the Baylands to allow for a range of 1,800 to 2,200 residential units and up to 7 million square feet of new commercial development. The Amendment also requires the preparation of a Specific Plan for the entire site to address several policies, including: requiring the future development be revenue positive for the City; comply with the



highest remediation standard for ground level residential uses; secure an adequate water supply; and incorporate sustainability principles. Next steps are for the developer to prepare and submit the Specific Plan to the City for consideration. The Specific Plan will be subject to extensive review and public hearings before the City's Planning Commission and City Council. The City will also be developing a Development Agreement between the Developer and the City to ensure all City's needs are met.

Healthpeak Properties, has begun construction on a five-building biotech development on Sierra Point, with completion of the last building expected in late 2021. Additionally, another site in the area has recently been purchased by another biotech development company, Phase 3 Real Estate Partners, with plans for a three-building campus. As these two sites finish construction in the next few years, it will leave only one undeveloped site on Sierra Point – a hotel site currently owned by Universal Paragon Corporation.

The City has recovered from the recession of the late 2000s as seen by the increase in revenues. This has allowed the City to create a vehicle replacement fund, a facility maintenance fund, set money aside in a Trust for its Other Post-Employment Benefits, and set aside additional monies in a rate stabilization Trust for its Pension Benefits unfunded liabilities.

#### Long-term Financial Planning

The City has taken great strides in long-term financial planning. Staff continuously works on a five-year forecast. This provides Council and the community greater information on projects and issues that will be affecting the community in the near future.

The City moved away from a two-year budget process due to the uncertainty of the economy during the late 2000s, with major capital improvement projects being placed on hold. However, because revenues have become more consistent, the City has returned to a two-year budget process commencing with fiscal years 2016-2017. Also, with strong revenues, the City was able to revisit a variety of capital improvement projects. One major initiative is the construction of a new library in the downtown area which broke ground in July 2018.

The City continues to work on the winding down of the former Redevelopment Agency. The City is the Housing Authority and although it no longer receives 20% of all tax increment, all other rules must still be adhered to. Without a revenue stream, no new housing is being planned. In May 2018, the Successor Agency to the City of the Brisbane was granted its Last and Final Recognized Obligation Payment Schedule (ROPS) going forward into the year 2029.

In 2017, the City Council updated its Fund Balance policy for the General Fund. The adopted policy requires a certain amount of funds be available for economic uncertainty, an additional amount in cases of natural disasters, and a final amount to cover for one time revenue or expenditure issues. In June 2019, the City Council agreed to also set aside 50% of any available General Fund, Fund Balance in excess of needed reserves per the existing policy into the Pension Trust with a goal of \$5 million, which represents approximately two years of the City's current unfunded liability.



In February 2018 the City Council adopted a Drought Reserve Rate to charge customers an additional rate for water usage to build a reserve within the Utility Fund to stabilize rates during a drought.

#### Cash Management Policies and Practices

The City's investment management plan addresses a wide variety of investment practices, including primary investment objectives, investment authority, allowable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation, and cash flow management. Under the City's policies, investments in the City's portfolio are intended to be held until maturity, and accordingly, investment terms are selected for consistency with the City's cash flow needs. Reports are issued monthly to the City Council by the Administrative Services Department providing detailed information regarding the City's investments and compliance with City policy. Under the City's investment policies, the City's primary investment objective is to ensure the principal of its capital while striving to achieve a reasonable rate of return. For the past year, overall rates have been incredibly low so our portfolio is weighted a bit to a shorter maturity (one to three years).

#### Risk Management

Risk management activities are the coordinated effort of all city management staff. The City is self-insured for Workers' Compensation and participates in Bay Cities for excess insurance above \$150,000. Additionally, the City is a member of Bay Cities Joint Powers Insurance Group which provides coverage for liability, auto and property damage. This entity operates in accordance with joint powers authority agreements between member cities to provide the various programs. Staffs of the two pools provide services to the City of risk identification, evaluation, and treatment; workers compensation and liability claims administration; safety training and special events coverage.

#### Debt Administration

The City updated its debt policy in July 2017 to further comply with California SB 1209 enacted in September 2016 which mandates tracking of borrowings and bond proceed spending in an effort to increase transparency and improve public knowledge. As a debt issuer, the City must annually report to the state on its proposed and outstanding debt, and its policy must include specific guidelines including purpose of debt, types of debt allowed, relationship of the debt to capital Improvement programs or its budget, policy goals, and internal controls surrounding debt administration. The City's practice is that debt should be used as part of long-term strategy to match the expected life of capital projects with its financing or to reduce the current costs of the City allowing more flexibility in City decision making.

#### Internal Accounting Controls

Internal accounting controls are designed by the City to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss and the reliability of financial



records for preparing financial statements and maintaining accountability of assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. It is the City's responsibility to evaluate the costs and benefits of the controls it implements to adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions. As the number of employees has decreased, maintaining separation of duties has become more challenging. The City is implementing compensating controls where needed.

#### **AWARDS & ACKNOWLEDGEMENTS**

For many years, the City received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA). Although the City discontinued applying for the award in recent years due to budgetary constraints, we continue to maintain the same quality in this year's report.

The preparation and development of this report would not have been possible without the year-round efficiency of the Department of Finance staff and their special efforts, working in conjunction with the City's independent auditors, to produce this document. We would like to take this opportunity to compliment all those staff members of both the City and our independent auditors who were associated with the preparation of this report.

We would also like to thank the City Council for their continued support and interest in planning and conducting their financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



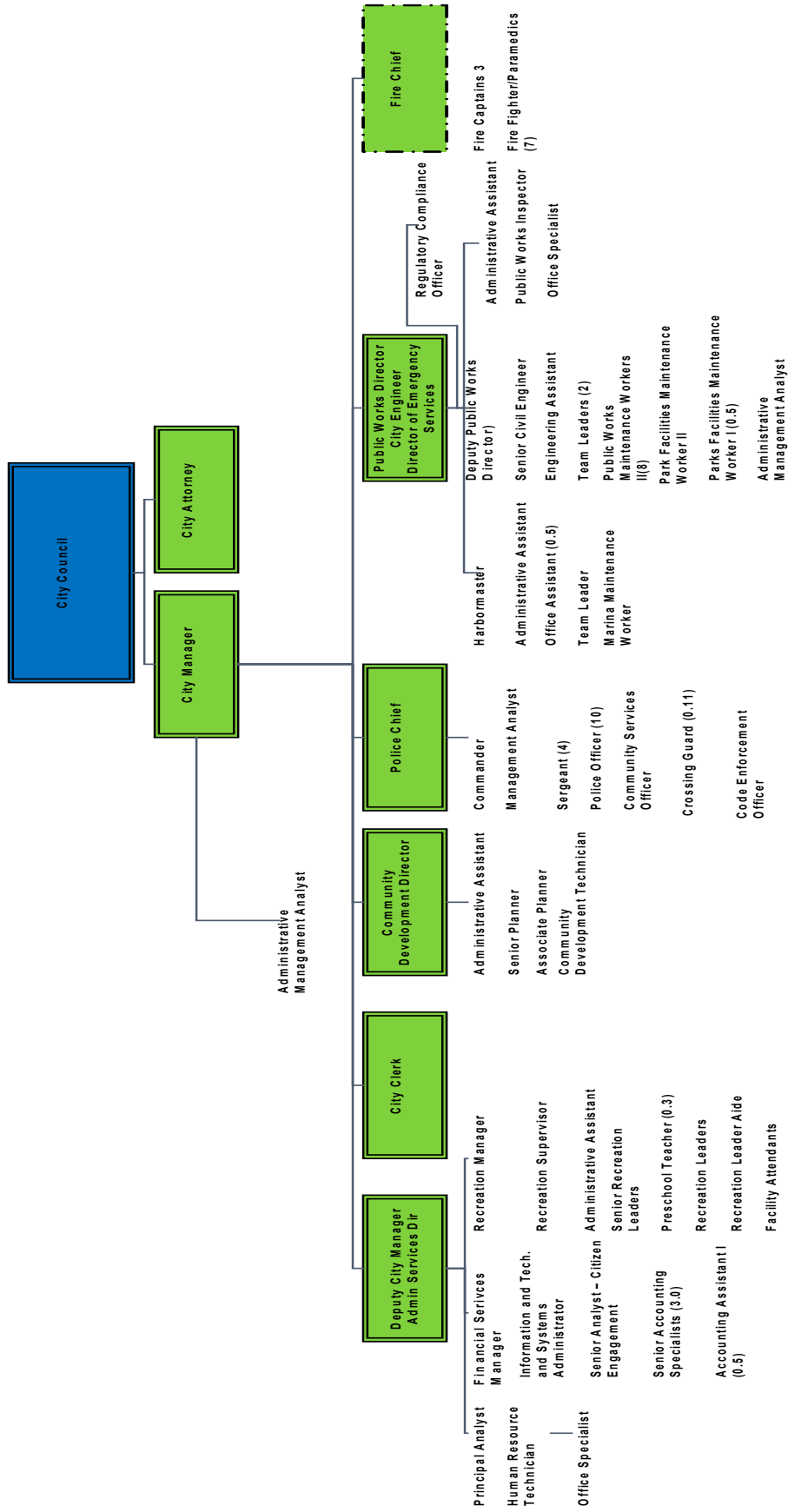
Clayton L. Holstine  
City Manager



Stuart Schillinger  
Administrative Services Director

# City of Brisbane Organizational Chart

## FY 2018/19



## **CITY OF BRISBANE**

**Principal Officials of the City of Brisbane, California  
Successor Agency to the Brisbane Redevelopment Agency  
Guadalupe Valley Municipal Improvement District  
and  
Brisbane Public Financing Authority  
For the Year Ended June 30, 2019**

### **CITY COUNCIL/BOARD MEMBERS**

W. Clarke Conway, Council Member / Board Member  
Karen Cunningham, Council Member / Board Member  
Madison Davis, Mayor / Board Chairperson  
Cliff R. Lentz, Council Member / Board Member  
Terry O'Connell, Mayor Pro Tem / Board Vice-Chairperson

### **STAFF MEMBERS**

Clayton L. Holstine  
City Manager, Agency Executive Director, District Manager

Michael Roush  
City Attorney, Agency / District Legal Counsel

Stuart Schillinger  
Administrative Services Director / Treasurer

John A. Swiecki  
Planning Director

Lisa Macias  
Police Chief

Randy Breault  
Public Works Director / City Engineer

Ingrid Padilla  
City Clerk



## INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council  
City of Brisbane, California

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brisbane (City), California, as of and for the year ended June 30, 2019, 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 and fair presentation 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 the 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 City'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 City'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, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

Management adopted the provision of the following Governmental Accounting Standards Board Statement, which became effective during the year ended June 30, 2019:

Governmental Accounting Standards Board Statement 88 – Certain Disclosures Related to Debt including Direct Borrowings and Direct Placements. See Note 7 and 14 to the financial statements for relevant disclosures.

The emphasis of this matter does not constitute a modification to our opinions.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and other Required Supplementary 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 Introductory Section, Supplementary Information, and Statistical Section 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 Supplementary Information is the responsibility of management and was derived from and relates 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 Supplementary Information is 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 March 10, 2020 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.

*Maze & Associates*

Pleasant Hill, California  
March 10, 2020

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## ***Management's Discussion and Analysis***

As management of the City of Brisbane, we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages v-vii of this report.

### ***FINANCIAL HIGHLIGHTS***

- The assets and deferred outflows of the City of Brisbane increased by \$3 million, or 1.8%, to \$142.2 million, of which \$94.4 million represents governmental assets and \$47.8 million represents business-type assets.
- As of June 30, 2019, the City's total liabilities and deferred inflows decreased by \$1.3 million, or 2.2%, to \$57.3 million, of which \$42.8 million represents governmental liabilities and \$14.5 million represents business-type liabilities.
- The assets of the City exceed its liabilities by \$85 million (net position). Of this amount, (\$5.7) million represents unrestricted net position which may be used to meet the government's ongoing obligations to constituents through programs, creditors or to make payments towards unfunded retirement liabilities.
- The total net position increased by \$3.8 million which shows the impact of growing revenues.
- At the close of the current fiscal year, the City of Brisbane's governmental funds reported combined fund balances of \$20.5 million. Approximately 33% of this amount, \$6.7 million is available for spending at the government's discretion (unassigned fund balance).
- City-wide revenue increased by \$2.8 million, or 8.6%, to \$34.8 million, of which \$26.6 million was generated by governmental activities and \$8.3 million was generated by business-type activities.
- City-wide expenses increased by \$833.9 thousand, or 2.8%, to \$31 million, of which \$23.1 million were generated by governmental activities and \$7.9 million were generated by business-type activities.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City of Brisbane's basic financial statements which consists of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements.

**Government-Wide financial statements.** The *government-wide financial statements* provide a corporate-like long-term view of the City's activities as a whole, and include the Statement of Net Position and the Statement of Activities. They are presented using the accrual basis of accounting.

The *statement of net position* is designed to show bottom line results for the City and its governmental activities. This statement uses full-accrual basis and combines and consolidates governmental funds' current financial resources (short-term spendable assets) with capital assets and long-term obligations.

The *statement of activities* is focused on both the gross and net cost of various activities that are supported by the government's general tax and other revenues. This is intended to summarize and simplify the user's analysis of the cost of various governmental services.

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 include general government (City Council, City Manager, City Attorney, City Clerk, Human Resources, Finance, and Community Development), public safety (Police and Fire), and Public Works. These services are supported by general City revenues such as sales taxes, property taxes, hotel taxes, and by specific program revenues such as fees.

Business-type activities include the Utility Fund (Water, Sewer, and GVMID) and the Marina Fund. Unlike governmental services, these services are supported by charges paid by users for the amount of service they use.

The government-wide financial statements can be found on pages xx to xx of this document.

**Fund Financial Statements.** A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Brisbane, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds 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 the *near-term inflows and outflow 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 a government'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 government'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 individual governmental funds. Information is presented separately in the Fund Financials by major funds. The General Fund is always considered a major fund while other major funds are determined by formula and may change from year to year. Data from the non-major governmental funds is 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 in the required supplementary information section of this report.

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

**Proprietary funds.** The City of Brisbane 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 statements. The City uses enterprise funds to account for its Water and Sewer Utility Services and for its Marina. *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 the management of its employee's health and retirement benefits (health, dental, fringe & OPEB), cost allocation of city-wide assets (vehicles and facility maintenance) and risk management (workers compensation and liability insurance).

Proprietary funds statements 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 the Utility and the Marina Funds which are both considered major funds.

Since the City's Internal Service Funds provide goods and services only to the City's Governmental and Business-type Activities, their activities are reported only in total at the Fund level. Internal Service Funds may not be Major Funds because their revenues are derived from other City funds. These revenues are eliminated in the Government-Wide Financial Statements and any related profits or losses are returned to the activities that created them, along with any residual net assets of the Internal Service Funds. Individual fund data for the internal service funds are provided in the form of combining statements in the required supplementary information section of this report.

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

Comparison of Budget and Actual financial information is presented for the General Fund and Major Special Revenue Funds in the Required Supplementary Information. Budget and Actual financial information for non-major funds is presented in the Supplementary Information.

**Fiduciary Statements.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. While these Funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements. The accounting for these funds is similar to that used for proprietary funds.

The City maintains two types of Fiduciary Funds. The Private Purpose Trust Fund is used to report resources held in trust for the Successor Agency of the Redevelopment Agency. The Agency funds report resources held by the City in a custodial capacity for individuals, private organizations and other governments.

The fiduciary fund financials can be found on pages xx-xx of this report.

**Notes to the 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 financial statements can be found on pages xx-xx of this report.

**Other supplemental information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City.

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table reflects a condensed Statement of Net position compared to the prior year.

Government-Wide Statement of Net Position As of June 30, (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current Assets	\$ 25,579	\$ 24,335	\$ 12,694	\$ 13,320	\$ 38,273	\$ 37,655
Capital assets	58,681	55,676	32,325	31,904	91,006	87,580
Other non-current assets	4,474	4,680	2,378	2,403	6,852	7,083
Total assets	<u>\$ 88,734</u>	<u>\$ 84,691</u>	<u>\$ 47,397</u>	<u>\$ 47,627</u>	<u>\$ 136,131</u>	<u>\$ 132,318</u>
Deferred Outflows	\$ 5,689	\$ 6,846	\$ 430	\$ 546	\$ 6,119	\$ 7,392
Current liabilities	\$ 5,378	\$ 4,244	\$ 1,940	\$ 1,749	\$ 7,318	\$ 5,993
Non-current liabilities	34,332	35,558	12,179	12,965	46,510	48,524
Total liabilities	<u>\$ 39,710</u>	<u>\$ 39,803</u>	<u>\$ 14,118</u>	<u>\$ 14,714</u>	<u>\$ 53,828</u>	<u>\$ 54,517</u>
Deferred Inflows	\$ 3,065	\$ 3,626	\$ 378	\$ 422	\$ 3,444	\$ 4,049
Net position:						
Net investment in capital assets,	\$ 50,917	\$ 43,424	\$ 29,149	\$ 28,342	\$ 80,066	\$ 71,766
Restricted	9,841	8,314	759	759	10,600	9,073
Unrestricted	(9,112)	(3,630)	3,423	3,936	(5,689)	305
Total net position	<u>\$ 51,647</u>	<u>\$ 48,108</u>	<u>\$ 33,331</u>	<u>\$ 33,037</u>	<u>\$ 84,977</u>	<u>\$ 81,144</u>

For more detailed information see the Statement of Net Position (page xx).

Over time, net position may serve as a useful indicator of a government's financial position. In the case of the City of Brisbane, assets exceeded liabilities by \$85 million at the close of the most recent fiscal year.

By far the largest portion of the City's net position, \$80.1 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



An additional portion of the City's net position, \$10.6 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

As of June 30, 2019, the City is reporting a negative balance in Unrestricted net position of governmental activities as a result of the Capital Projects Fund and several Non-Major funds having a negative balance. City-wide however, there is a positive net position.

### Statement of Activities

As of June 30,

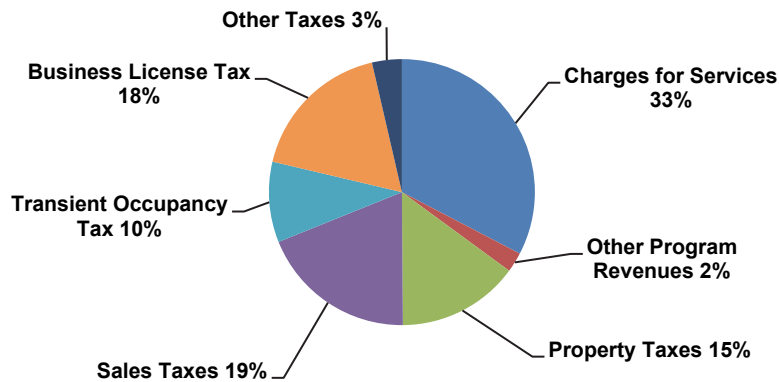
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 9,634	\$ 9,056	\$ 8,108	\$ 10,291	\$ 17,742	\$ 19,347
Operating contributions and grants	624	342	-	-	624	342
Capital contributions and grants	88	238	-	-	88	238
Total program revenues	10,346	9,636	8,108	10,291	18,454	19,928
General revenues:						
Property taxes	4,372	3,662	33	81	4,405	3,743
Sales taxes	5,609	4,679			5,609	4,679
Transient occupancy tax	2,890	2,886			2,890	2,886
Other taxes	2,243	1,118			2,243	1,118
Total taxes	15,114	12,345	33	81	15,147	12,426
Investment earnings (loss)	704	106	60	(387)	764	(281)
Other revenue	422	23	60		482	23
Total revenues	\$ 26,586	\$ 22,110	\$ 8,261	\$ 9,985	\$ 34,847	\$ 32,095
Expenses:						
General government	\$ 6,871	\$ 7,446	\$ -	\$ -	\$ 6,871	\$ 7,446
Public safety - police	5,694	5,227	-	-	5,694	5,227
Public safety - fire	3,661	3,576	-	-	3,661	3,576
Public works	4,094	3,883	-	-	4,094	3,883
Parks and recreation	2,393	2,388	-	-	2,393	2,388
Interest on long-term debt	419	630	-	-	419	630
Water			2,086	1,966	2,086	1,966
Sewer			1,822	1,588	1,822	1,588
Guadalupe Valley Municipal Improvement District			2,353	1,814	2,353	1,814
Marina			1,621	1,661	1,621	1,661
Total expenses	\$ 23,131	\$ 23,151	\$ 7,882	\$ 7,029	\$ 31,014	\$ 30,180
Increase/decrease in net assets before transfers	\$ 3,454	\$ (1,040)	\$ 379	\$ 2,956	\$ 3,833	\$ 1,916
Transfers	85	120	(85)	(120)	-	-
Special items			-	-	-	-
Increase/decrease in net assets	3,539	(921)	294	2,836	3,833	1,916
Net assets - beginning of year	48,108	49,028	33,037	30,200	81,144	79,229
Net assets - end of year	\$ 51,647	\$ 48,108	\$ 33,331	\$ 33,037	\$ 84,977	\$ 81,144

**Governmental activities.** Program revenues generated 39% of the City's governmental revenues. The major sources of these revenues are providing services to outside agencies, redistributing the cost of governmental services to the operating departments through a cost allocation plan, and capital contribution and grants. The City's property tax revenues increased by 19%. The City will continue to receive property tax from the former redevelopment agency when the property tax is greater than the amount needed to pay recognized obligations and pass through payments. The Sales Tax revenue increased by 20% over the prior year. Hotel taxes (transient occupancy) stayed relatively flat reflecting another year of a healthy business climate.

As would be anticipated in a government, those areas which provide the least private-good oriented services have the highest net cost. Police and Fire services are provided to the whole community and City Council has made the decision that these services should be paid for by the community as a whole through its general taxes (Property, Sales, and others).

### Resources by Source - Governmental Activities



**Business-type Activities.** Business-type net position accounts for 40% of the City's total net position and showed an increase over prior year.

- Program revenues decreased by 27% due to previous year including one-time charges for installation services by a multi-building development. Current year results are more aligned with previous trends.
- Expenses increased by 11% primarily due to the increase in the sewer processing rate, but also as progress continues on three bond funded projects.

## FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

As noted earlier, the City of Brisbane uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the City of Brisbane's governmental funds is to provide information on near-term inflow, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary uses as they represent the portion of the fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

At June 30, 2019, the City's Governmental Funds reported combined Fund Balances of \$20.5 million, an increase of \$771 thousand compared to last year.

Revenues from Governmental Funds increased by \$6 million, or 27%, from the prior year for a total of \$27.7 million, whereas Governmental Fund expenditures only increased by \$4.2 million for a total of \$25.2 million.

**General Fund** – The General Fund ended the year with a fund balance of \$11.1 million. Of this amount, \$1.8 million is nonspendable including: Encumbrances, Advances to Other Funds, and Loans Receivables. The Unassigned portion of the Fund Balance is \$7.9 million. The General Fund's reserves still exceed the Council's policy of 50% of its expenditures in reserves.

The City's tax revenues increased by \$1.7 million, or 14%, over prior year, including an increase of \$710 thousand in property taxes and an increase in \$930 thousand in sales taxes. This was a result of increases in the number and selling price of real estate in the City, along with the healthy economy for construction continuing to increase sales tax collections. The City saw an increase of licenses, permits and fees of \$2.4 million, over the prior year primarily due to an increase in recycling business license fees and collections on the liquid storage business tax after the resolution of the related legal matter.

General Fund expenditures increased by \$1.3 million. Planning activity increased due to the commercial developments at Sierra Point. Also, the City continued to contribute from previous year's surplus towards the OPEB and Pension Trusts. Due to fires around California, we again saw overtime charges and related costs for fire safety due to staff back-fill for personnel on leave or called to emergency services.

*Low/Mod Income Housing Asset Special Revenue Fund* –The City elected to become the Successor Housing Agency effective February 1, 2012. This fund represents the loans receivable for the First Time Home Buyers program, as well as a loan for the Senior Housing. At this time, income is limited for this fund. The loans from the Successor Agency may now be paid, but the amount is determined by a formula applied after all other required obligations have been paid.

**Proprietary funds.** The City of Brisbane's statements on proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

*Utility Fund* – The Unrestricted net position of the Utility Fund at year end was \$4.8 million. This was a decrease of \$1 million as a combination of previous year's one-time charges for installation services by one of the Sierra Point developments, the increase in sewer processing costs and also as progress continues on three bond-funded projects.

*Marina Fund* – FY2018/19 saw operating income decrease by \$108 thousand even though berth rentals continue to pick up after the completion of the marina dredging project and the introduction of live-aboard fees for an increase of charges for services of 10%, but the City no longer contributed towards the Marina's debt service recognized as Other Revenues in prior year. Operating expenses stayed relatively steady at \$1.6 million.

## ***GENERAL FUND BUDGETARY HIGHLIGHTS***

At mid-year, revenue estimates were increased \$1 million as the first two quarters of taxes came in higher than projected. At mid-year, expense estimates were increased \$800,000 to reflect the contributions towards the OPEB and Pension Trusts per the new policy. Originally we projected the use of \$1.1 million from reserves (fund balance) to balance the budget. The estimated reduction to fund balance was increased to \$1.3 million at mid-year. The actual revenue came in \$5.4 million over the final budget and expenses came in \$1.7 million over budget leaving a decrease to fund balance of \$334,000.

## ***CAPITAL ASSETS***

The City of Brisbane's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$91 million (net of accumulated depreciation). This investment in capital assets includes land, improvements, buildings and structures, machinery and equipment, infrastructure (streets, lighting, traffic signals), park facilities, sewer and water infrastructure (water tanks, sewer lift stations, pipes, force mains), and the marina. The total increase in the investment in capital assets for the current fiscal year was \$3.4 million. This reflects the purchase of various vehicles and the increase of construction in progress for the library and various utility projects.

Major capital asset events during the current fiscal year included the following:

- Purchase of a Pumper Fire Apparatus
- Purchase of a Backhoe
- 10 Passenger Van

The City also purchased property in the downtown area from the Housing Authority which will is currently being held for sale.

**Capital Assets**  
**As of June 30,**  
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Non-depreciable assets:</b>						
Land and artwork	\$ 14,443	\$ 14,443	\$ 648	\$ 648	\$ 15,090	\$ 15,091
Construction in progress	4,086	505	\$ 1,137	0	5,222	505
Total non-depreciable assets	18,528	14,948	1,785	648	20,313	15,596
<b>Depreciable assets:</b>						
Land improvements	6,333	6,333	12,309	12,309	18,642	18,642
Buildings and structures	17,538	17,538	9,527	9,527	27,065	27,065
Machinery and equipment	4,722	4,008	859	859	5,581	4,867
Infrastructure	31,758	31,758	32,245	32,245	64,003	64,003
Total depreciable assets	60,351	59,637	54,940	54,940	115,291	114,577
Less accumulated depreciation	(20,198)	(18,908)	(24,400)	(23,685)	(44,598)	(42,593)
Total depreciable assets, net	40,153	40,728	30,540	31,256	70,693	71,984
<b>Total capital assets</b>	<u>\$ 58,681</u>	<u>\$ 55,676</u>	<u>\$ 32,325</u>	<u>\$ 31,904</u>	<u>\$ 91,006</u>	<u>\$ 87,580</u>

Additional information on the City of Brisbane's capital assets can be found in note 6 on pages xx-xx of this report.

**DEBT ADMINISTRATION**

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$19.9 million. Of this amount, \$1.6 million comprises debt backed by the full faith and credit of the government. The remaining debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

**Long-Term Debt**

at June 30,  
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Pension obligation bonds	\$ 1,436	\$ 1,726	\$ -	\$ -	\$ 1,436	\$ 1,726
Revenue bonds	7,694	8,032	10,600	11,266	18,294	19,298
Energy conservation loan	106	127			106	127
Capital lease	-	-	57	83	57	83
<b>Total</b>	<b>\$ 9,236</b>	<b>\$ 9,886</b>	<b>\$ 10,657</b>	<b>\$ 11,349</b>	<b>\$ 19,893</b>	<b>\$ 21,235</b>

The total debt decreased by \$1.3 million during the current fiscal year. The City did not take on any new debt during this current fiscal year.

The City of Brisbane maintained an "A+" rating from Standard & Poor's.

Additional information on the City's long-term debt can be found in Note 7 pages xx-xx.

***ECONOMIC OUTLOOK***

The City is part of the general San Francisco/Silicon Valley area which continues to see rising property values. There are a handful of businesses that make up a sizable portion of City revenues.

In addition, the City's room tax revenues are generated by the two hotels located at Sierra Point. The City is working with the Chamber of Commerce on economic development.

Brisbane has one of the largest (over 500 acres) undeveloped commercial parcels of land remaining in San Mateo County. This parcel is contiguous with the boundaries of the City/County of San Francisco and is located within seven minutes of the San Francisco International Airport. The development of this parcel is expected to take place over the next 30 years. In November 2018, Brisbane voters passed a measure that would amend the City's General Plan to allow for a range of 1,800 to 2,200 residential units and up to 7 million square feet of new commercial development. Next steps include the developer to prepare and submit the Specific Plan for the site to the City for consideration. The City will also be developing a Development Agreement between the Developer and the City. While the related economic benefits to the City from the development of this parcel cannot be estimated at this time, it is anticipated to be significant, possibly capable of providing the City with future revenues.

There are sites within City limits that have been purchased by biotech development companies. One site at Sierra Point will contain a five-building biotech complex and construction began in FY17/18. A second site will contain a three-building biotech campus scheduled to complete construction within the next few years.

The City is attempting to increase its business license tax collections with several initiatives planned for the November 2019 election, including a tax on the cannabis industry based on gross receipts, changing methodology for the basis of tax on liquid storage tanks, and an increase on tax on recycling establishments.

The City and the area has recovered from the recession of the late 2000s and continues to see increases in revenues, including sales taxes and property taxes.

***CONTACTING THE CITY'S FINANCIAL MANAGEMENT***

The Comprehensive Annual Financial Report is intended to provide residents, taxpayers, investors, and creditors with a general overview of the City's finances. Questions about this report should be directed to the Finance Department, at 50 Park Place, Brisbane, California 94005.

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<b>STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES</b>
--

The Statement of Net Assets reports the excess of the City's total assets and deferred outflows of resources over the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column, and the financial position of all of the City's Business-Type Activities in a single column; these are followed by a total column which presents the financial position of the entire City.

The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds. The City's Business-Type Activities include all its Enterprise Fund activities, which includes the Utility Fund (Water, Sewer, and GVMID) and Marina Enterprise Fund.

The Statement of Activities reports increases and decreases in the City's net position. It presents the City's expenses first, listed by program, and follows these with the expenses of its business-type activities. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental and business-type program. The City's general revenues are then listed in the Governmental Activities or Business-type Activities column, as appropriate, and the Change in Net Position is computed and reconciled with the Statement of Net Position.

CITY OF BRISBANE  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash and investments available for operations (Note 3)	\$16,935,625	\$7,713,879	\$24,649,504
Restricted cash and investments (Note 3)	835,790	4,029,057	4,864,847
Accounts receivable	5,887,010	1,266,659	7,153,669
Taxes receivable	1,483,582	143	1,483,725
Internal balance (Note 4D)	371,320	(371,320)	
Accrued interest	59,273	55,702	114,975
Other assets	6,027		6,027
Noncurrent assets:			
Loans receivable, net (Note 5)	3,964,800	2,377,975	6,342,775
Property held for Resale	509,024		509,024
Capital assets (Note 6):			
Non-depreciable	18,528,227	1,784,716	20,312,943
Depreciable, net	40,153,044	30,540,199	70,693,243
<b>Total Assets</b>	<b>88,733,722</b>	<b>47,397,010</b>	<b>136,130,732</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows (Note 9)	5,379,995	378,227	5,758,222
OPEB related deferred outflows (Note 10)	308,776	51,995	360,771
<b>Total Deferred Outflows of Resources</b>	<b>5,688,771</b>	<b>430,222</b>	<b>6,118,993</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	1,778,201	812,973	2,591,174
Accrued payroll	300,408	28,387	328,795
Interest payable	79,279	131,795	211,074
Deposits	1,612,111	199,659	1,811,770
Claims payable - due within one year (Note 11)	259,768		259,768
Compensated absences - due within one year (Note 1F)	241,166	21,211	262,377
Long-term debt - due within one year (Note 7)	807,373	745,666	1,553,039
Unearned revenue	300,000		300,000
Noncurrent liabilities:			
Claims payable - due in more than one year (Note 11)	614,855		614,855
Compensated absences - due in more than one year (Note 1F)	723,499	63,633	787,132
Net pension liability (Note 9)	19,683,249	1,381,570	21,064,819
Net OPEB liability (Note 10)	4,881,793	822,050	5,703,843
Long-term debt - due in more than one year (Note 7)	8,428,516	9,911,333	18,339,849
<b>Total Liabilities</b>	<b>39,710,218</b>	<b>14,118,277</b>	<b>53,828,495</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows (Note 9)	1,491,161	113,333	1,604,494
OPEB related deferred inflows (Note 10)	1,574,319	265,103	1,839,422
<b>Total Deferred Inflows of Resources</b>	<b>3,065,480</b>	<b>378,436</b>	<b>3,443,916</b>
<b>NET POSITION (Note 8)</b>			
Net investment in capital assets	50,917,030	29,148,972	80,066,002
Restricted for:			
Pension and employee benefits program	530,276		530,276
Capital projects	3,544,701	758,885	4,303,586
Debt service	1,708,702		1,708,702
Specific projects and programs	4,057,717		4,057,717
<b>Total Restricted Net Position</b>	<b>9,841,396</b>	<b>758,885</b>	<b>10,600,281</b>
Unrestricted	(9,111,631)	3,422,662	(5,688,969)
<b>Total Net Position</b>	<b>\$51,646,795</b>	<b>\$33,330,519</b>	<b>\$84,977,314</b>

See accompanying notes to financial statements



CITY OF BRISBANE  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities:							
General government	\$6,871,247	\$6,959,636	\$404,593	\$88,092	\$581,074		\$581,074
Public safety - police	5,694,236	126,765	213,747		(5,353,724)		(5,353,724)
Public safety - fire	3,660,505	498,682			(3,161,823)		(3,161,823)
Public works	4,094,059	1,382,040	5,291		(2,706,728)		(2,706,728)
Parks and recreation	2,392,572	666,955			(1,725,617)		(1,725,617)
Interest on long-term debt	418,667				(418,667)		(418,667)
Total Governmental Activities	23,131,286	9,634,078	623,631	88,092	(12,785,485)		(12,785,485)
Business-type Activities:							
Water	2,085,536	1,719,657				(\$365,879)	(365,879)
Sewer	1,822,436	1,223,603				(598,833)	(598,833)
Guadalupe Valley Municipal Improvement District	2,352,983	3,066,475				713,492	713,492
Marina	1,621,292	2,098,630				477,338	477,338
Total Business-type Activities	7,882,247	8,108,365				226,118	226,118
Total Government	\$31,013,533	\$17,742,443	\$623,631	\$88,092	(\$12,785,485)	\$226,118	(\$12,559,367)
General revenues:							
Taxes:							
Property taxes					\$4,372,066	\$33,039	\$4,405,105
Sales taxes					5,608,897		5,608,897
Transient occupancy tax					2,889,711		2,889,711
Other taxes					2,243,086		2,243,086
Miscellaneous revenues					421,838		421,838
Investment earnings					704,128	59,831	763,959
Developer Contributions						60,000	60,000
Transfers (Note 4C)					84,978	(84,978)	
Total general revenues and transfers					16,324,704	67,892	16,392,596
Change in Net Position					3,539,219	294,010	3,833,229
Net Position-Beginning					48,107,576	33,036,509	81,144,085
Net Position-Ending					\$51,646,795	\$33,330,519	\$84,977,314

See accompanying notes to financial statements

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<b>FUND FINANCIAL STATEMENTS</b>
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Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds by the City in fiscal year 2019. Individual non-major funds may be found in the Supplemental Section.

**General Fund**

This fund is the City's primary operating fund. It accounts for all financial resources of the general government, except for those accounted for in another fund.

**Low/Mod Income Housing Assets Special Revenue Fund**

This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes.

**Capital Projects Fund**

This fund was established to track all non-major construction and capital projects. Project budgets carryover year to year until completed.

CITY OF BRISBANE  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2019

	General Fund	Low/Mod Income Housing Asset Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments (Note 3)	\$3,472,683	\$1,930,627		\$8,687,081	\$14,090,391
Restricted cash and investments (Note 3)	530,276			190,421	720,697
Accounts receivable, net	5,836,933			44,089	5,881,022
Interest receivable	34,310	8,843		6,099	49,252
Taxes receivable	1,457,595			25,987	1,483,582
Other assets	6,027				6,027
Due from other funds (Note 4A)	288,302				288,302
Loans receivable (Note 5)	1,081,858	2,882,942			3,964,800
Advances to other funds (Note 4B)	730,524				730,524
Property held for resale		509,024			509,024
Total Assets	<u>\$13,438,508</u>	<u>\$5,331,436</u>		<u>\$8,953,677</u>	<u>\$27,723,621</u>
<b>LIABILITIES</b>					
Accounts payable	\$536,587	\$52	\$833,830	\$220,343	\$1,590,812
Accrued payroll	229,354			9,608	238,962
Due to other funds (Note 4A)				206,857	206,857
Deposits payable	1,553,823		14,395	43,893	1,612,111
Interest payable			19,567		19,567
Advances from other funds (Note 4B)			359,204		359,204
Unearned revenue				300,000	300,000
Total Liabilities	<u>2,319,764</u>	<u>52</u>	<u>1,226,996</u>	<u>780,701</u>	<u>4,327,513</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - loan receivable		2,882,942			2,882,942
Total Deferred Inflows of Resources		<u>2,882,942</u>			<u>2,882,942</u>
<b>FUND BALANCES (Note 8)</b>					
Nonspendable	1,818,409				1,818,409
Restricted	530,276	2,448,442		4,276,512	7,255,230
Assigned	820,756			3,914,703	4,735,459
Unassigned	7,949,303		(1,226,996)	(18,239)	6,704,068
Total Fund Balances (Deficit)	<u>11,118,744</u>	<u>2,448,442</u>	<u>(1,226,996)</u>	<u>8,172,976</u>	<u>20,513,166</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$13,438,508</u>	<u>\$5,331,436</u>		<u>\$8,953,677</u>	<u>\$27,723,621</u>

See accompanying notes to financial statements

CITY OF BRISBANE  
Reconciliation of the  
GOVERNMENTAL FUNDS -- BALANCE SHEET  
with the  
STATEMENT OF NET POSITION  
JUNE 30, 2019

Total fund balances reported on the Governmental Funds Balance Sheet	\$20,513,166
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds	58,681,271
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ALLOCATION OF INTERNAL SERVICE FUND NET POSITION

Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. The net current assets of the Internal Service Funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.

Cash and investments	2,960,327
Accounts and Interest receivable	16,009
Accounts payable	(187,389)
Accrued payroll	(61,446)
Due to other funds	(81,445)
Interest payable	
Long-term debt	(35,648)
Accrued claims payable	(874,623)

ACCRUAL OF NON-CURRENT REVENUES AND EXPENSES

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	2,882,942
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LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Net pension liability, deferred outflows and deferred inflows	(15,794,415)
Long-term debt	(9,200,241)
Net OPEB liability, deferred outflows and deferred inflows	(6,147,336)
Compensated absences	(964,665)
Interest payable	(59,712)

NET POSITION OF GOVERNMENTAL ACTIVITIES

	<u><u>\$51,646,795</u></u>
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See accompanying notes to financial statements

CITY OF BRISBANE  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	Low/Mod Income Housing Asset Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
REVENUES					
Taxes and special assessments	\$13,730,931			\$875,065	\$14,605,996
Intergovernmental	573,655			345,590	919,245
Licenses, permits and fees	6,343,475		\$276,109	2,968	6,622,552
Charges for services	3,661,580				3,661,580
Fines and forfeitures	66,371				66,371
Use of money and property	323,497	\$279,143	(25,354)	277,488	854,774
Other revenues	348,966		10,000	615,093	974,059
Total Revenues	25,048,475	279,143	260,755	2,116,204	27,704,577
EXPENDITURES					
Current:					
General government	5,822,755				5,822,755
Public safety - police	4,917,210				4,917,210
Public safety - fire	3,356,781				3,356,781
Public works	2,489,959	14,187		1,132,743	3,636,889
Parks and recreation	2,199,856				2,199,856
Capital outlay	7,499		4,229,178	6,837	4,243,514
Debt service:					
Principal	13,213			636,144	649,357
Interest and fiscal charges	991		8,408	412,332	421,731
Total Expenditures	18,808,264	14,187	4,237,586	2,188,056	25,248,093
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	6,240,211	264,956	(3,976,831)	(71,852)	2,456,484
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 4C)	150,894		4,271,285	910,154	5,332,333
Transfers (out) (Note 4C)	(6,725,307)			(292,110)	(7,017,417)
Total Other Financing Sources (Uses)	(6,574,413)		4,271,285	618,044	(1,685,084)
NET CHANGES IN FUND BALANCES	(334,202)	264,956	294,454	546,192	771,400
NET CHANGES IN FUND BALANCES	(334,202)	264,956	294,454	546,192	771,400
BEGINNING FUND BALANCES	11,452,946	2,183,486	(1,521,450)	7,626,784	19,741,766
ENDING FUND BALANCES	\$11,118,744	\$2,448,442	(\$1,226,996)	\$8,172,976	\$20,513,166

See accompanying notes to financial statements

CITY OF BRISBANE  
Reconciliation of the  
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS  
with the Statement of Activities  
FOR THE YEAR ENDED JUNE 30, 2019

The schedule below reconciles the Net Changes in Fund Balances reported on the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$771,400
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay and other capitalized expenditures are therefore added back to fund balance	4,243,514
Depreciation expense is deducted from the fund balance	(1,238,504)
Retirement of capital assets	

LONG-TERM LIABILITIES

Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayments of debt principal and interest are added back to fund balance	649,357
Proceeds from bond refunding	
Payment to refunded debt escrow	
Pension related expenses	(573,556)
OPEB related expenses	115,888

ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Unavailable revenue	(1,182,705)
Amortization of bond discount	(3,448)
Accrued interest on long-term debt	6,512
Compensated absences	(42,492)

ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service Funds are used by management to charge the costs of certain activities, such as equipment acquisition, maintenance, and insurance to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in Net Position - All Internal Service Funds	793,253
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$3,539,219
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See accompanying notes to financial statements

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## PROPRIETARY FUNDS

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

The concept of major funds established by GASB Statement 34 extends to Proprietary Funds. The City has identified the funds below as major enterprise funds in fiscal 2019.

GASB 34 does not provide for the disclosure of budget vs. actual comparison regarding proprietary funds that are major funds.

**Utility Fund** is comprised of the following services:

### Water

Represents expenses incurred in the purchase and distribution of water to City residents and businesses; water users support this activity through payment of water billings which are rendered based on read meters.

### Sewer

Represents expenses incurred in the collection and pumping of sewage waste to the City of San Francisco Sewer Treatment Plant where it is treated and discharged to the bay; sewer users support this activity through payment of sewer service billings.

### Guadalupe Valley Municipal Improvement District

Represents expenses related to providing water, sewer, and other municipal services to businesses and residents located within the district boundaries. Revenues to support this activity are derived from property taxes, water, and sewer billings and special assessments.

## **Marina Enterprise Fund**

This fund accounts for expenses incurred in the operation and maintenance of a boat harbor and marina; berth rentals provide the source of revenue to support this activity.

## **Internal Service Funds**

These funds are used to account for interdepartmental operations where it is the stated intent that costs of providing services to the departments of the City on a continuing basis be financed or recovered primarily by charges to the user departments.

CITY OF BRISBANE  
PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Utility	Marina	Totals	
<b>ASSETS</b>				
Current Assets:				
Cash and investments (Note 3)	\$6,153,042	\$1,560,837	\$7,713,879	\$2,845,234
Restricted cash and investments (Note 3)	4,029,057		4,029,057	115,093
Accounts receivable, net	1,190,530	76,129	1,266,659	5,988
Taxes receivable	143		143	
Interest receivable	32,046	23,656	55,702	10,021
Total Current Assets	11,404,818	1,660,622	13,065,440	2,976,336
Noncurrent Assets:				
Loans receivable (Note 5)		2,377,975	2,377,975	
Capital assets (Note 6):				
Non-depreciable	1,784,666	50	1,784,716	
Depreciable, net	24,586,632	5,953,567	30,540,199	
Total Noncurrent Assets	26,371,298	8,331,592	34,702,890	
Total Assets	37,776,116	9,992,214	47,768,330	2,976,336
<b>DEFERRED OUTFLOWS</b>				
Deferred outflows related to pensions (Note 9)	218,208	160,019	378,227	
Deferred outflows related to OPEB (Note 10)	11,823	40,172	51,995	
Total Deferred Outflows	230,031	200,191	430,222	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts payable	727,756	85,217	812,973	187,389
Due to other funds (Note 4A)				81,445
Accrued payroll	17,428	10,959	28,387	61,446
Interest payable	98,312	33,483	131,795	
Accrued claims payable (Note 11)				259,768
Compensated absences (Note 1F)	15,740	5,471	21,211	
Deposits	14,269	185,390	199,659	
Bonds payable due within one year (Note 7)	340,000	405,666	745,666	
Total Current Liabilities	1,213,505	726,186	1,939,691	590,048
Noncurrent Liabilities:				
Compensated absences due in more than one year (Note 1F)	47,219	16,414	63,633	
Accrued claims payable (Note 11)				614,855
Advances from other funds (Note 4B)		371,320	371,320	
Workers' comp deficit assessment payable				35,648
Bonds payable due in more than one year (Note 7)	6,865,000	3,046,333	9,911,333	
Net pension liability (Note 9)	797,060	584,510	1,381,570	
Net OPEB liability (Note 10)	186,917	635,133	822,050	
Total Noncurrent Liabilities	7,896,196	4,653,710	12,549,906	650,503
Total Liabilities	9,109,701	5,379,896	14,489,597	1,240,551
<b>DEFERRED INFLOWS</b>				
Deferred inflows related to pensions (Note 9)	65,385	47,948	113,333	
Deferred inflows related to OPEB (Note 10)	60,279	204,824	265,103	
Total Deferred Inflows	125,664	252,772	378,436	
<b>NET POSITION (Note 8)</b>				
Net investment in capital assets	23,195,355	5,953,617	29,148,972	
Restricted for capital projects	758,885		758,885	
Unrestricted	4,816,542	(1,393,880)	3,422,662	1,735,785
Total Net Position	\$28,770,782	\$4,559,737	\$33,330,519	\$1,735,785

See accompanying notes to financial statements

CITY OF BRISBANE  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN FUND NET POSITION  
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Business-type Activities-Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Utility</u>	<u>Marina</u>	<u>Totals</u>	
OPERATING REVENUES				
Charges for services	\$6,009,735	\$2,082,002	\$8,091,737	\$1,056,550
Other revenues		16,628	16,628	24,143
Total Operating Revenues	<u>6,009,735</u>	<u>2,098,630</u>	<u>8,108,365</u>	<u>1,080,693</u>
OPERATING EXPENSES				
Cost of sales and services	3,422,595	542,729	3,965,324	22,841
General and administrative	2,239,913	961,477	3,201,390	991,071
Depreciation	598,447	117,086	715,533	
Other expenses				1,107,245
Total Operating Expenses	<u>6,260,955</u>	<u>1,621,292</u>	<u>7,882,247</u>	<u>2,121,157</u>
Operating Income (Loss)	<u>(251,220)</u>	<u>477,338</u>	<u>226,118</u>	<u>(1,040,464)</u>
NONOPERATING REVENUES (EXPENSES)				
Taxes and assessments	33,039		33,039	
Investment income	286,601	49,577	336,178	63,655
Interest expense	(182,934)	(93,413)	(276,347)	
Total Nonoperating Revenues (Expenses)	<u>136,706</u>	<u>(43,836)</u>	<u>92,870</u>	<u>63,655</u>
Income (Loss) Before Contributions and Transfers	<u>(114,514)</u>	<u>433,502</u>	<u>318,988</u>	<u>(976,809)</u>
Developer Contributions	60,000		60,000	
Transfers in (Note 4C)	43,000		43,000	1,770,062
Transfers out (Note 4C)	<u>(105,833)</u>	<u>(22,145)</u>	<u>(127,978)</u>	
Net transfers	<u>(62,833)</u>	<u>(22,145)</u>	<u>(84,978)</u>	<u>1,770,062</u>
Change in net position	<u>(117,347)</u>	<u>411,357</u>	<u>294,010</u>	<u>793,253</u>
BEGINNING NET POSITION	<u>28,888,129</u>	<u>4,148,380</u>	<u>33,036,509</u>	<u>942,532</u>
ENDING NET POSITION	<u>\$28,770,782</u>	<u>\$4,559,737</u>	<u>\$33,330,519</u>	<u>\$1,735,785</u>

See accompanying notes to financial statements

CITY OF BRISBANE  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2019

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Utility	Marina	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from customers	\$5,887,717	\$2,057,716	\$7,945,433	\$970,600
Cash payments to suppliers	(5,420,902)	(1,449,277)	(6,870,179)	(2,646,997)
Cash received from other funds				20,417
Cash Flows from Operating Activities	466,815	608,439	1,075,254	(1,655,980)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes and assessments	32,988		32,988	
Due to other funds receipts				34,389
Due from other funds				(31,503)
Advances from other funds (receipts)		25,411	25,411	
Transfers in	43,000		43,000	1,770,062
Transfers (out)	(105,833)	(22,145)	(127,978)	
Cash Flows from Noncapital Financing Activities	(29,845)	3,266	(26,579)	1,772,948
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(1,136,851)		(1,136,851)	
Principal payment of debt	(320,000)	(371,654)	(691,654)	
Interest paid	(291,782)	(113,380)	(405,162)	
Developer contributions	60,000		60,000	
Cash Flows from Capital and Related Financing Activities	(1,688,633)	(485,034)	(2,173,667)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest paid				(8,371)
Investment income receipts	279,718	43,532	323,250	68,942
Cash Flows from Investing Activities	279,718	43,532	323,250	60,571
Net Cash Flows	(971,945)	170,203	(801,742)	177,539
Cash and investments at beginning of period	11,154,044	1,390,634	12,544,678	2,782,788
Cash and investments at end of period	\$10,182,099	\$1,560,837	\$11,742,936	\$2,960,327
<b>Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:</b>				
Operating income (loss)	(\$251,220)	\$477,338	\$226,118	(\$1,040,464)
Adjustments to reconcile operating income (Loss) to cash flows from operating activities:				
Depreciation	598,447	117,086	715,533	
Change in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable	(122,018)	(40,914)	(162,932)	(1,811)
Accounts payable and accrued liabilities	220,278	33,504	253,782	(49,477)
Accrued payroll	2,158	2,787	4,945	(20,647)
Accrued claims payable				(543,581)
Compensated absences	(1,418)	6,082	4,664	
Deposits	(2,675)	7,321	4,646	
Net pension liability, deferred inflows and deferred outflows	27,701	20,312	48,013	
Net OPEB liability, deferred inflows and deferred outflows	(4,438)	(15,077)	(19,515)	
Cash Flows from Operating Activities	\$466,815	\$608,439	\$1,075,254	(\$1,655,980)

See accompanying notes to financial statements

<b>FIDUCIARY FUNDS</b>
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Fiduciary funds are presented separately from the Government-wide and Fund financial statements. The City had the following types of fiduciary funds in fiscal year 2019:

**Private Purpose Trust Fund**

This fund is used to account for resources legally held in trust for special purposes.

**OPEB Trust Fund**

The fund is used to account for the activity of the Other Post Employments Benefits Trust.

**Agency Funds**

These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. They are used to account for assets held in an agency capacity for others and therefore cannot be used to support the City's program.

CITY OF BRISBANE  
FIDUCIARY FUNDS  
STATEMENT OF NET POSITION  
JUNE 30, 2019

	Successor Agency Private-Purpose Trust Fund	OPEB Trust	Agency Funds
<b>ASSETS</b>			
Cash and investments (Note 3)			\$1,381,797
Restricted cash and investments with fiscal agents (Note 3)	\$1,460,295		257,287
Investments with Trustees (Note 3)			
Mutual funds		\$2,189,422	
Accounts receivable, net	4,131		
Interest receivable			3,182
Taxes receivable			9,313
Total Assets	<u>1,464,426</u>	<u>2,189,422</u>	<u>\$1,651,579</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred charges on refunding (Note 14)	<u>2,010,923</u>		
Total Deferred Inflow of Resources	<u>2,010,923</u>		
<b>LIABILITIES</b>			
Accounts payable	11,891		\$367
Deposits payable			738,924
Due to other bondholders			912,288
Interest payable	186,128		
Loans payable to City (Note 14B)	2,859,104		
Long Term Debt (Note 14B):			
Due within one year	1,335,000		
Due in more than one year	<u>9,455,000</u>		
Total Liabilities	<u>13,847,123</u>		<u>\$1,651,579</u>
<b>NET POSITION</b>			
Held in trust for private-purpose	<u>(\$10,371,774)</u>	<u>\$2,189,422</u>	

See accompanying notes to financial statements

CITY OF BRISBANE  
STATEMENT OF CHANGES IN NET POSITION  
FIDUCIARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	Successor Agency Private-Purpose Trust Fund	OPEB Trust
ADDITIONS		
Charges for services	\$2,319,904	
Contributions to trust		\$400,000
Investment income	642	121,294
	<u>2,320,546</u>	<u>521,294</u>
Total additions		
DEDUCTIONS		
Administrative charges		4,352
General government	28,222	
Interest and fiscal charges	732,493	
	<u>760,715</u>	<u>4,352</u>
Total deductions		
CHANGES IN NET POSITION	1,559,831	516,942
BEGINNING NET POSITION	<u>(11,931,605)</u>	<u>1,672,480</u>
ENDING NET POSITION (DEFICIT)	<u><u>(\$10,371,774)</u></u>	<u><u>\$2,189,422</u></u>

See accompanying notes to financial statements

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**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</b>
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The City was incorporated on November 27, 1961, under the General Laws of the State of California and enjoys all the rights and privileges pertaining to such “General Law” cities. The City uses the City Council/Manager form of government. The financial reporting entity consists of (a) the primary government, the 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.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

**A.     *Reporting Entity***

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City’s operations and are reported as an integral part of the City’s financial statements. The term City, as used in this report, refers to the City and its component units as a consolidated entity. The City’s component units, which are described below, are all blended.

- Brisbane Public Financing Authority (Authority)
- Guadalupe Valley Municipal Improvement District (District)
- Brisbane – Guadalupe Valley Municipal Improvement District Finance Authority (B/GVM District)

**Brisbane Public Financing Authority** was formed on April 8, 1991, by and between the City and the former Redevelopment Agency (Agency) of the City. The Authority was created for the purpose of providing financing of public capital improvements for the City and the Former Agency. The Authority has the power to issue bonds to pay the cost of any public capital improvement. The Authority has no independent staff and consequently is dependent upon the City’s officers and employees. The Governing Board of the Authority is comprised of the members of the City Council of the City and the members of the Board of the Former Agency.

**Guadalupe Valley Municipal Improvement District** was formed as an enterprise activity in May 1990. The purpose of the District is to provide capital and infrastructure improvements to residents of the area. The members of the City Council act as the governing body of the District.

**Brisbane – Guadalupe Valley Municipal Improvement District Finance Authority** was formed as a financing activity in September 2014. The purpose of the B/GVM District is to provide a financing mechanism for residents of the area. The members of the City Council act as the governing body of the B/GVM District.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
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**B.      *Basis of Presentation***

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These Statements require that the financial statements described below be presented.

***Government - Wide Financial Statements:*** The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

***Fund Financial Statements:*** The fund financial statements provide information about the City's funds, including blended component units and fiduciary funds. Separate statements for each fund category — governmental, proprietary and fiduciary — are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

**C. Major Funds**

The City's major governmental and business-type funds are identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have either assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may also select other funds it believes should be presented as major funds.

The City reported the following major governmental funds in the accompanying financial statements:

**General Fund** - The General Fund is established to account for the revenues and expenditures to carry out basic governmental activities of the City such as general government, public safety, parks and recreation and public works. This fund accounts for all financial transactions not accounted for in the other funds.

**Low/Mod Income Housing Assets Special Revenue Fund** - This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by California redevelopment law and must be used to provide housing for people with low and moderate incomes.

**Capital Projects Fund** - This fund was established to track all non-major construction and capital projects. Project budgets carryover year to year until completed.

The City reported all of its enterprise funds as major funds:

**Utility Enterprise Fund** - This fund accounts for revenues and expenses incurred for the water, sewer and Guadalupe Valley Municipal Improvement District.

**Marina Enterprise Fund** - This fund accounts for expenses incurred in the operation and maintenance of a boat harbor and marina; berth rentals provide the source of revenue to support this activity.

**Internal Service Funds** account for activities related to dental self-insurance, fringe benefits, flexible benefits, workers' compensation, general liability, vehicle replacement, facilities maintenance and other post-employment benefits (OPEB).

**Fiduciary Funds** financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent agency funds and private-purpose trust funds and are accounted for using the "economic resources" measurement focus. The private-purpose trust funds are used to account for resources legally held in trust for special purposes and Other Post-Employment Benefits (OPEB) for OPEB beneficiaries. The Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Both types of the funds are accounted for using accrual basis of accounting.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

**D.     *Basis of Accounting***

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable* and *available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Governmental acquisitions are reported as *expenditures* in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Those revenues susceptible to accrual are property, sales, transient occupancy and franchise taxes, special assessments, licenses for services and interest revenue. Fines, permits, and charges for services are not susceptible to accrual because they are not measurable until received in cash.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The City may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

**E.     *Interest Payable***

In the Government-Wide Financial Statements, interest payable of long-term debt is recognized as the liability is incurred.

In the fund financial statements, proprietary fund types recognize the interest payable when the liability is incurred.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**F.      *Compensated Absences***

The City's compensated absences include regular vacation, compensatory time-off, and personal leave. Employees earn varying amounts of vacation depending upon continuous tenure with the City. Use of vacation may be deferred to the following year, but the total amount of vacation may not exceed two years annual accrual without City Manager approval. Vested compensated absence amounts are payable upon the employee's separation from employment. Compensated absences for governmental activities are recorded as current and non-current in the Government-Wide Financial Statements. For proprietary funds, current and non-current liabilities for compensated absences are recorded as expenses in the Government-Wide Financial Statement and the Fund Financial Statement.

	Governmental Activities	Business-Type	Total
Beginning Balance	\$922,173	\$80,180	\$1,002,353
Additions	575,988	62,646	638,634
Payments	(533,496)	(57,982)	(591,478)
Ending Balance	<u>\$964,665</u>	<u>\$84,844</u>	<u>\$1,049,509</u>
Current Portion	<u>\$241,166</u>	<u>\$21,211</u>	<u>\$262,377</u>
Non-current Portion	<u>\$723,499</u>	<u>\$63,633</u>	<u>\$787,132</u>

**G.      *Property Taxes***

Under California law, secured 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.

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

Property taxes levied are recorded as revenue when received, in the fiscal year of levy, because of the adoption of the "alternate method of property tax distribution," known as the Teeter Plan, by the City and the County of San Mateo. The Teeter Plan authorizes the Auditor/Controller of the County of San Mateo to allocate 100% of the secured property taxes billed, but not yet paid.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

***H. Use of Estimates***

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

***I. Deferred Outflows/Inflows of Resources***

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

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

***J. Pensions***

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

***K. Other Post-Employment Benefits Other than Pensions***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense and information about the fiduciary net position of the City Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with benefit terms. Investments are reported at fair value.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)</b>
--

**L.     *Fair Value Measurements***

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

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

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

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

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

<b>NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING</b>
--

**A.     *Budgeting Procedures***

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

1. A City Council goal setting session is scheduled to determine the major objectives of the City's financial plan for the year. Goals are approved by the Council and incorporated into a detailed preliminary budget, which is issued for public comment. After a series of public hearings, the budget is adopted by the City Council prior to the beginning of the ensuing fiscal year (July 1).
2. The Administrative Services Director is authorized to transfer budgetary amounts within a single fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
3. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the General Fund, certain special revenue funds, and the debt service funds. The Fire Training and Contract Employees Special Revenue Funds are special revenue funds with single focus purpose that when needed are approved by City Council or part of an existing contract and therefore did not have adopted budgets for the fiscal year. The capital projects funds did not have adopted budgets for the fiscal year, but all capital projects are approved by City Council prior to commitment. The legal level of budgetary control is the fund level.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)</b>
--

4. Budgets for those governmental funds budgeted are adopted on a basis consistent with GAAP.
5. 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 fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2019, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
6. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances. These necessary supplemental appropriations were immaterial in relation to the budget as originally adopted. The Administrative Services Director must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications.
7. Appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered and then are rebudgeted for the coming year.

**B. *Encumbrances***

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are recorded. The commitments will be reappropriated and honored in the subsequent year.

**C. *Expenditures in Excess of Appropriations***

The following funds incurred expenditures in excess of appropriations. The funds had sufficient fund balances or revenues to finance these expenditures.

Fund	Excess Expenditures Over Appropriations
Special Revenue Funds:	
Low and Moderate Income Housing Asset	\$7,687
Grants	6,837
Debt Services Funds:	
2013 Pension Side Fund Bonds	81,020
2018 Library Construction Loan	129,260



**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 3 - CASH AND INVESTMENTS</b>
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The City invests all funds, except cash with fiscal agents, in investment pools. The goal is to invest at the maximum yield, consistent with safety and liquidity, while individual funds can process payments for expenditures at any time. The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

**A. *Classification***

Cash and investments as of June 30, 2019, are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of City debt instruments or agency agreements.

Cash and investments available for operations	\$24,649,504
Restricted cash and investments with fiscal agent	<u>4,864,847</u>
Total City Cash and Investments	<u>29,514,351</u>
Cash and investments in Fiduciary Funds	1,381,797
Restricted cash and investments in Fiduciary Funds	<u>3,907,004</u>
Total Fiduciary Cash and Investments	<u>5,288,801</u>
Total Cash and Investments	<u><u>\$34,803,152</u></u>

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**B. *Authorized Investments by the City***

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings are acceptable of the issuers are acceptable to the City. The following also identifies certain provisions of the City and California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This does not address the City's investments of debt proceeds held by fiscal agents that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the Entity's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Allowed in Portfolio</u>	<u>Maximum Investment in One Issuer</u>
California Local Agency Investment Fund	N/A	None	15%	\$65 million
Negotiable Certificates of Deposit	5 years	None	25%	15%
Time Certificates of Deposit	N/A	None	25%	15%
Bankers Acceptances	180 days	None	20%	15%
Commercial Paper	270 days	A-1	15% (A)	15%
Government Agency Securities	5 years	None	None	None
Treasury Bonds, Bills, and Notes	5 years	None	None	None
Medium-Term Corporate Notes	5 years	AA	15% (A)	15%
Mutual Funds	5 years	None	None	15%

(A) The combined value of investments in Commercial Paper and Medium-Term Corporate Notes should not exceed 15% of the City's portfolio.

**C. *Authorized Investments by Debt Agreements***

The City must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if the City fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinances, bond indentures or State statutes. The following identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain permitted investments of these debt agreements:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>
Treasury Bonds, Bills, and Notes	5 years	None
Government Agency Securities	5 years	None
Bankers Acceptances	180 days	None
Repurchase Agreements	30 days	N/A
Money Market Mutual Funds	N/A	AAAm
Commercial Paper	180 days	A-1
Negotiable Certificates of Deposit	5 years	None
California Local Agency Investment Fund	N/A	None
Time Certificates of Deposit	N/A	None
Medium-Term Corporate Notes	5 years	AA
Mutual Funds	5 years	None

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

There are no restrictions on the maximum amount invested in each security type or a maximum that can be invested in any one issuer.

**D. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates.

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution to the City's investments by maturity:

Investment Type	Investment Maturities			Total
	12 months or less	13 to 48 months	49 to 60 months	
Securities of U.S. Government Agencies				
Federal National Mortgage Association		\$1,992,075		\$1,992,075
Federal Farm Credit Bank	\$1,499,295	2,490,930		3,990,225
Federal Home Loan Bank		500,285		500,285
Federal Home Loan Mortgage Corporation		3,481,230		3,481,230
Time Certificates of Deposit:				
Goldman Sachs Bank			\$257,736	257,736
Comenity Bank		256,752		256,752
Capital One Bank		501,843		501,843
Morgan Stanley Bank		504,524		504,524
Discover Bank		250,381		250,381
Sallie Mae Bank		250,712		250,712
Wells Fargo		251,542		251,542
Money Market Mutual Fund	11,083,069			11,083,069
Local Agency Investments Funds	7,754,791			7,754,791
<b>Total Investments</b>	<b>\$20,337,155</b>	<b>\$10,480,274</b>	<b>\$257,736</b>	<b>31,075,165</b>
Cash in banks and on hand				3,727,987
<b>Total Cash and Investments</b>				<b>\$34,803,152</b>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

**E. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements and the actual rating as of June 30, 2019 for each investment type:

Investment Type	Aaa/AAAm	Total
Securities of U.S. Government Treasury and Agencies		
Federal National Mortgage Association	\$1,992,075	\$1,992,075
Federal Farm Credit Bank	3,990,225	3,990,225
Federal Home Loan Bank	500,285	500,285
Federal Home Loan Mortgage Corporation	3,481,230	3,481,230
Money Market Mutual Funds	11,083,069	11,083,069
Total rated investments		21,046,884
Not rated or exempt:		
Local Agency Investment Fund		7,754,791
Certificates of Deposit		2,273,490
Cash in banks and on hand		3,727,987
Total Cash and Investments		\$34,803,152

**F. Concentration of Credit Risk**

Investments in the securities of any individual issuer, other than U.S. Treasury securities, mutual funds, and external investment fund that represent 5% or more of total investments in Entity-wide, are as follows at June 30, 2019:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	U.S. Agency Notes	\$1,992,075
Federal Home Loan Mortgage Corporation	U.S. Agency Notes	3,481,230
Federal Farm Credit Bank	U.S. Agency Notes	3,990,225

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 3 - CASH AND INVESTMENTS (Continued)</b>
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**G.     *Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Under California Government Code Section 53651, depending on specific types of eligible securities, a bank must deposit eligible securities posted as collateral with its Agent having a fair value of 105% to 150% of the City's cash on deposit. All of the City's deposits are either insured by the Federal Depository Insurance Corporation (FDIC) or collateralized with pledged securities held in the trust department of the financial institutions in the City's name.

**H.     *Local Agency Investment Fund***

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2019, these investments matured in an average of 173 days.

**I.     *Cash, Cash Equivalents and Investments***

Each proprietary fund's portion of Cash and Investments is in substance a demand deposit available to finance operations, and is considered a cash equivalent in preparing the statement of cash flows.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid 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.

Market value is used as fair value for those securities for which market quotations are readily available.

**J.     *Fair Value Hierarchy***

The City adopted GASB Statement No. 72, Fair Value Measurement and Applications, which required governmental entities to measure investments at fair value in fiscal year 2015-16. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation input used to measure the fair value of asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 3 - CASH AND INVESTMENTS (Continued)**

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2019:

	<u>Level 2</u>	<u>Total</u>
<b>Investments by Fair Value Level:</b>		
U.S. Agencies	\$9,963,815	\$9,963,815
Certificates of Deposit	<u>2,273,490</u>	<u>2,273,490</u>
<b>Total Investments</b>	<u><u>\$12,237,305</u></u>	12,237,305
<b>Investments Measured at Amortized Cost:</b>		
Money Market Mutual Funds		4,076,984
Held by Trustee:		
Money Market Mutual Funds		7,006,085
<b>Investments Exempt from Fair Value Hierarchy:</b>		
Local Agency Investment Fund		7,754,791
<b>Cash in Bank and on hand</b>		<u>3,727,987</u>
<b>Total Cash and Investments</b>		<u><u>\$34,803,152</u></u>

The Certificate of Deposits totaling \$2.3 million and U.S. Agencies totaling \$10 million classified in Level 2 of the fair value hierarchy, are valued using quoted prices for a non-active market portfolio at fiscal year-end. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

**NOTE 4 - INTERFUND TRANSACTIONS**

**A. Due To/From Other Funds**

All due to/from other funds represent temporary loans from the General Fund to cover cash flow shortfalls and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2019 interfund balances were as follows:

At June 30, 2019, the City had the following due to/from other funds:

	<u>Due to Other Funds</u>		<u>Total</u>
	<u>Non-Major Governmental Funds</u>	<u>Internal Service Funds</u>	
<u>Due from Other Funds</u>			
General Fund	<u>\$206,857</u>	<u>\$81,445</u>	<u>\$288,302</u>
Total	<u><u>\$206,857</u></u>	<u><u>\$81,445</u></u>	<u><u>\$288,302</u></u>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

**B. Advances To/From Other Funds**

At June 30, 2019, the City had the following advances to/from other funds:

<u>Advances to Other Funds</u>	<u>Advances From</u>		<u>Total</u>
	<u>Capital Projects Fund</u>	<u>Marina Enterprise Fund</u>	
General Fund	\$359,204	\$371,320	\$730,524
<b>Total</b>	<b>\$359,204</b>	<b>\$371,320</b>	<b>\$730,524</b>

In March 2013 the City approved an advance from the General Fund to the Capital Improvement Fund in the amount of \$850,000. It was issued for the purpose of financing a property purchase from the Brisbane Housing Authority. The term of the advance is ten years. It bears interest at 1.89% annually and payments are due each March 1 in the amount of \$94,084. The balance of the advance as of June 30, 2019 was \$359,204.

In fiscal year 2015 and 2018, the City approved an advance of \$117,929 and \$253,391 respectively, from the General Fund to the Marina Enterprise Fund for dredging. The balance of the advance as of June 30, 2019 was \$371,320.

**C. Transfers In/Out**

The City had the following transfers in/out for the year ended June 30, 2019:

<u>Transfers Out</u>	<u>Transfers In</u>					<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Utility Enterprise Fund</u>	<u>Internal Service Fund</u>	
General Fund		\$4,155,254	\$910,154	\$43,000	\$1,616,899	\$6,725,307
Non-Major Governmental Funds	\$150,894	116,031			25,185	292,110
Enterprise Fund:						
Utility					105,833	105,833
Marina					22,145	22,145
<b>Total</b>	<b>\$150,894</b>	<b>\$4,271,285</b>	<b>\$910,154</b>	<b>\$43,000</b>	<b>\$1,770,062</b>	<b>\$7,145,395</b>

Transfers out from the General Fund, Special Revenue funds, and Utility Enterprise Fund were for debt service payments.

Transfers into the Internal Service funds were for reimbursement of retirement payments and to initiate the Facilities Maintenance Fund.

Transfers out from the Internal Service funds were for the unused portion of flexible benefits that returned to the General Fund at the end of the year.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 4 - INTERFUND TRANSACTIONS (Continued)**

**D. Internal Balances**

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

**NOTE 5 - LOANS RECEIVABLE**

At June 30, 2019, the City had the following loans receivable:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
<b>Governmental Funds:</b>				
Loan to Administrative Services Director	\$318,750			\$318,750
Loan to City Manager	200,000			200,000
Bridge Housing Corporation Loan	2,336,086			2,336,086
First Time Home Buyers	731,856		(\$185,000)	546,856
Loans to Successor Agency	1,093,108		(530,000)	563,108
<b>Total Governmental Funds</b>	<b>4,679,800</b>		<b>(715,000)</b>	<b>3,964,800</b>
<b>Proprietary Funds:</b>				
Loan to City Engineer/Director of Public Works	107,390		(25,411)	81,979
Loan to Successor Agency	2,295,996			2,295,996
<b>Total Proprietary Funds</b>	<b>2,403,386</b>		<b>(25,411)</b>	<b>2,377,975</b>
<b>Total</b>	<b>\$7,083,186</b>		<b>(\$740,411)</b>	<b>\$6,342,775</b>

- A.** On April 1, 2002, the City made a loan to the Administrative Services Director in the amount of \$318,750 for the purchase of a home. The entire principal balance together with payment of the “equity sharing amount” is due and payable immediately upon any sale or transfer of the property, except for a transfer of legal title for estate planning purposes to a revocable living trust for which the borrower is trust or and trustee. The loan is secured by the deed of trust.
- B.** On September 10, 2008, the city modified the City Manager loan agreement for an additional \$200,000. The additional amount, together with the payment of the “equity sharing amount” is due and payable upon any sale or transfer of the property without the prior written consent of the City (except for the transfer of legal title for estate planning purposes to a revocable living trust of which borrowers are the trustors and trustee), or eighteen months after the effective date of termination of City Manager’s employment with the City.



**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 5 - LOANS RECEIVABLE (Continued)</b>
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- C.** In 1999, the Bridge Housing Corporation entered into a loan agreement with the former Redevelopment Agency (now housing successor) for an amount not to exceed \$2,500,000. The obligation to repay the loan is evidenced by a promissory note. The terms of the note provide that Bridge Housing Corporation make repayments to the extent of surplus cash. Annual payments are due and payable in arrears no later than June 1 each year with respect to the previous calendar year, and shall be accompanied by the developer's report of surplus cash.
- D.** The former Agency (now housing successor) has provided various loan programs for First Time Homebuyers. In general they provide secondary financing for low and moderate buyers in the City. The loans have deferred payments in order to allow the buyers to maximize their purchasing capacity. Payment of principal and interest is due upon sale of property. Units are sold at market value and the former Agency also receives as payment a share of the appreciation based on the percentage of the former Agency loan to original purchase price. The former Agency has first right of refusal to purchase unit to roll over to new eligible buyer.
- E. *City Loans to Successor Agency***

**General Fund** - During the fiscal year ending June 30, 2000, the former Agency approved an interfund advance authorizing the Community Redevelopment Special Revenue Fund to borrow \$1,293,108 from the Low and Moderate Income Housing Fund to cover the operating shortfall of RDA #2 through fiscal year 2000. The loan bears no interest rate and is repayable as a Recognized Obligation of the Successor Agency.

The Marina Enterprise Fund had recorded a loan receivable in the amount of \$2,295,996 from the Successor Agency Private Purpose Trust Fund. The loan will be paid from future redevelopment property tax trust fund (RPTTF) distribution revenue from the County. The loan comprises of the following:

On March 1, 2001, the former Agency issued \$15,000,000 of Brisbane Community Redevelopment Project Area #1 2001 Tax Allocation Bonds (2001 Tax Allocation Bonds) to refund the 1984 Tax Allocation Bonds and to satisfy the former Agency's obligation under the 1984 Lease/Leaseback agreement (Deferred Rent Payable). A portion of the proceeds of the 1984 Tax Allocation Bonds were used to build the Marina.

Concurrently, the former Agency and the Authority also entered into a bond purchase contract (Contract) on March 1, 2001. According to the Contract, the Authority issued Brisbane Public Financing Authority (BPFA) 2001 Revenue Bonds, Series A in the amount of \$26,300,000 to acquire the Bonds.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 5 - LOANS RECEIVABLE (Continued)**

As part of the funding for this debt, the former Agency provided an equity contribution of \$295,996 to be placed in an Escrow Fund along with the proceeds of the former Agency Bonds. The City contributed \$2,000,000 towards the purchase of the 2001 Tax Allocation Bonds.

Therefore, prior to fiscal 2015, a total of \$2,295,996 was recorded as an advance from the Marina Fund to the BPFA 2001 Revenue Bonds Series A Debt Service Fund which in turn advanced the amount to the former Agency. The advance was to be paid from future tax increment of the former Agency after the bonds have matured. With the dissolution of the Agency effective February 1, 2012, the Successor Agency assumed the obligation to repay the advance above.

In fiscal year 2014, the City unwound the advance from the Marina Fund (formerly the Parks and Recreations Enterprise Fund) to the BPFA 2001 Revenue Bonds Series A Debt Service Fund and the loan receivable from the BPFA 2001 Revenue Bonds Series A Debt Service Fund to the former Agency. As of June 30, 2019, the Successor Agency recorded a loan payable in the amount of \$2,295,996 and the City Marina Enterprise Fund recorded a loan receivable in the amount of \$2,295,996.

- F.* On October 22, 2001, the City made a loan to the City Engineer/Director of Public Works in the amount of \$320,000 for the purchase of a home. The entire principal balance together with payment of the “equity sharing amount” is due and payable immediately upon any sale or transfer of the property, except for a transfer of legal title for estate planning purposes to a revocable living trust for which borrower is trustor and trustee. The loan is secured by the Deed of Trust. On October 1, 2005, the City modified the agreement to include interest in the amount of \$45,479. As of June 30, 2019, the balance of the loan was \$81,979.

**NOTE 6 - CAPITAL ASSETS**

Capital assets, which include land, buildings, improvements, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities in the Government-Wide Financial Statements. Capital assets are recorded at historical cost or estimated historical cost if actual cost is not available. Gifts or contributions of capital assets are recorded at fair market value when received. City policy has set the capitalization threshold for reporting capital assets at the following:

General Capital Assets	\$5,000
Infrastructure Capital Assets	25,000

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 6 - CAPITAL ASSETS (Continued)**

Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and structures	65 years
Machinery and equipment	5 - 20 years
Infrastructure	50 - 65 years
Improvements other than buildings	20 – 59 years
Water distribution and sewer collection	65 years

Changes in capital assets during the year ended June 30, 2019 comprise of the following:

	Balance at June 30, 2018	Additions	Deletions	Balance at June 30, 2019
<b>Governmental activities</b>				
Non-depreciable capital assets:				
Land	\$14,437,157			\$14,437,157
Artwork	\$5,500			5,500
Construction in progress	505,218	\$3,580,352		4,085,570
Total non-depreciable capital assets	14,947,875	3,580,352		18,528,227
Capital assets being depreciated:				
Land Improvements	6,332,993			6,332,993
Building and Structures	17,537,741			17,537,741
Machinery and Equipment	4,008,014	800,499	(\$86,402)	4,722,111
Infrastructure	31,758,104			31,758,104
Total capital assets, depreciable	59,636,852	800,499	(86,402)	60,350,949
Less accumulated depreciation:				
Capital assets being depreciated:				
Land Improvements	(2,004,242)	(161,231)		(2,165,473)
Building and Structures	(5,140,157)	(346,547)		(5,486,704)
Machinery and Equipment	(2,445,324)	(300,700)	70,992	(2,675,032)
Infrastructure	(9,318,743)	(551,953)		(9,870,696)
Total accumulated depreciation	(18,908,466)	(1,360,431)	70,992	(20,197,905)
Depreciable capital assets	40,728,386	(559,932)	(15,410)	40,153,044
Governmental activity capital assets, net	\$55,676,261	\$3,020,420	(\$15,410)	\$58,681,271

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 6 - CAPITAL ASSETS (Continued)**

	Balance at June 30, 2018	Additions	Deletions	Transfers	Balance at June 30, 2019
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$647,815				\$647,815
Construction in Progress	50	\$1,136,851			1,136,901
Total capital assets not being depreciated	647,865	1,136,851			1,784,716
Capital assets, being depreciated:					
Land Improvements	12,309,095				12,309,095
Building and Structures	9,526,843				9,526,843
Machinery and Equipment	859,161				859,161
Infrastructure	32,245,204				32,245,204
Total capital assets being depreciated	54,940,303				54,940,303
Less accumulated depreciation for:					
Land Improvements	(6,373,586)	(83,205)			(6,456,791)
Building and Structures	(2,540,300)	(162,427)			(2,702,727)
Machinery and Equipment	(490,757)	(33,161)			(523,918)
Infrastructure	(14,279,928)	(436,740)			(14,716,668)
Total accumulated depreciation	(23,684,571)	(715,533)			(24,400,104)
Depreciable capital assets	31,255,732	(715,533)			30,540,199
Business-type activity capital assets, net	\$31,903,597	\$421,318			\$32,324,915

**A. Capital Asset Contributions**

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. GASB Statement 34 requires that these contributions be accounted for as revenues at the time the capital assets are contributed.

**B. Depreciation Allocation**

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

<b>Governmental Activities</b>	
General Government	\$512,230
Public Safety	244,969
Public Works	410,516
Parks and Recreation	192,716
<b>Total Governmental Activities</b>	<b>\$1,360,431</b>
<b>Business-Type Activities</b>	
Water	\$175,729
Sewer	84,483
Guadalupe Valley Municipal Improvement District	338,235
Marina	117,086
<b>Total Business-Type Activities</b>	<b>\$715,533</b>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT**

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

The following is a summary of long-term debt transactions for the year ended June 30, 2019:

	Balance June 30, 2018	Retirements	Balance at June 30, 2019	Current Portion	Non-Current Portion
<b>Governmental Activities</b>					
2006 Pension Obligation Refunding Bonds	\$415,000	(\$125,000)	\$290,000	\$140,000	\$150,000
2013 Pension Side Fund Bank Loan (Direct Borrowing)	1,311,000	(165,000)	1,146,000	190,000	956,000
2014 Lease Revenue Refunding Bonds	4,805,000	(215,000)	4,590,000	220,000	4,370,000
2017 Lease Revenue Refunding Bonds (Direct Placement)	1,498,000	(123,000)	1,375,000	126,000	1,249,000
2018 San Mateo County Library Loan (Direct Borrowing)	1,700,000		1,700,000	113,334	1,586,666
Unamortized discount on bonds	(10,342)	3,448	(6,894)	(3,448)	(3,446)
Energy Conservation Loan (Direct Borrowing)	102,379	(13,213)	89,166	13,343	75,823
Energy Efficiency Loan (Direct Borrowing)	25,113	(8,144)	16,969	8,144	8,825
Workers' compensation deficit assessment payable	39,609	(3,961)	35,648		35,648
<b>Total Governmental Long-Term Debt</b>	<b>\$9,885,759</b>	<b>(\$649,870)</b>	<b>\$9,235,889</b>	<b>\$807,373</b>	<b>\$8,428,516</b>
<b>Business-type Activities</b>					
2015 Utility Revenue Bonds	\$7,525,000	(\$320,000)	\$7,205,000	\$340,000	\$6,865,000
2015 Installment Sale Agreement (Direct Placement)	3,741,000	(346,000)	3,395,000	379,000	3,016,000
2017 Marina Wi-Fi Capital Lease (Direct Borrowing)	80,718	(25,009)	55,709	26,021	29,688
Premium on Capital Lease	1,935	(645)	1,290	645	645
<b>Total Business-Type Long-Term Debt</b>	<b>\$11,348,653</b>	<b>(\$691,654)</b>	<b>\$10,656,999</b>	<b>\$745,666</b>	<b>\$9,911,333</b>

**A. 2006 Taxable Pension Obligation Refunding Bonds**

On August 8, 2006, the City issued \$4,745,000 principal amount of 2006 Taxable Pension Obligation Refunding Bonds (2006 Pension Bonds) with interest rates of 5.0%. The proceeds were used to refund a portion of the City's obligations to PERS evidenced by the PERS contract and representing the unamortized, unfunded actuarial accrued liability with respect to the pension benefits. Interest is payable semiannually on January 1 and July 1. The principal is payable annually. The bonds are subject to optional and mandatory redemption prior to maturity. The 2006 Pension Bonds are obligations of the City imposed by law and are absolute and unconditional, without any right of set-off or counterclaim. The City is obligated to make appropriations to pay the bonds from any source of legally available funds of the City for each fiscal year.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

The annual debt service requirements on the bonds are as follows:

Year ending June 30:	Principal	Interest	Total
2020	\$140,000	\$17,037	\$157,037
2021	150,000	8,812	158,812
Subtotal	290,000	25,849	315,849
Less Unamortized Discount	(6,894)		(6,894)
<b>Total</b>	<b>\$283,106</b>	<b>\$25,849</b>	<b>\$308,955</b>

**B. 2013 Pension Side Fund Bank Loan (Direct Borrowing)**

On June 26, 2013, the City, through the Brisbane Public Financing Authority, entered into a loan agreement with a bank in the amount of \$1,611,000. Proceeds in amount of \$1,533,433 were wire transferred to CalPERS to pay off the City's Miscellaneous Pension Side Fund. The remaining proceeds were used for issuance financing costs. Principal and interest payments are due semiannually on June 1 and December 1, with an interest rate of 3.98% per annum.

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

Year ending June 30:	Principal	Interest	Total
2020	\$190,000	\$43,720	\$233,720
2021	220,000	35,860	255,860
2022	354,000	25,771	379,771
2023	382,000	11,403	393,403
<b>Total</b>	<b>\$1,146,000</b>	<b>\$116,754</b>	<b>\$1,262,754</b>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**C. 2014 Lease Revenue Refunding Bonds, Series 2014**

On December 1, 2014, the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority issued \$5,470,000 principal amount Lease Revenue Refunding Bonds, Series 2014. The Bonds being issued are to refund the outstanding Brisbane Public Financing Authority Lease Revenue Bonds, Series 2005B (City Hall Renovation and Expansion Project).

Repayments made by the City are payable from any revenues lawfully available to the City. The City intends to make all payments from proceeds of its transient occupancy tax but such tax proceeds are not pledged as security for the repayment of the Bonds. The bond covenant contains events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

The bonds mature annually through April 1, 2035, in amounts ranging from \$108,152 to \$378,231. The interest on the bonds is payable semiannually on each April 1 and October 1, with rates ranging from 2.00% to 4.00%. The bonds are subject to optional and mandatory redemption prior to maturity.

The annual debt service requirements on the bonds are as follows:

Year ending June 30:	Principal	Interest	Total
2020	\$220,000	\$159,180	\$379,180
2021	225,000	152,580	377,580
2022	235,000	143,580	378,580
2023	245,000	134,180	379,180
2024	255,000	124,380	379,380
2025-2029	1,400,000	488,720	1,888,720
2030-2034	1,645,000	244,538	1,889,538
2035	365,000	13,231	378,231
<b>Total</b>	<b>\$4,590,000</b>	<b>\$1,460,389</b>	<b>\$6,050,389</b>

**D. 2017 Lease Revenue Refunding Bonds, Series 2017 (Direct Placement)**

On August 1, 2017, the City issued \$1,630,000 in Lease Revenue Refunding Bonds. The proceeds of the bonds were used to refund the 2009 Brisbane Public Financing Authority Lease Revenue Bonds. The refunding was completed to realize net present value savings related to the leases securing the prior bonds. Principal payment will be due each April 1, commencing in April 2018. Interest will be payable semiannually on April and October 1 each year. The bonds mature in 2029 and bear an annual interest percentage rate in the range from 4.5% to 6.0%.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

The refunding resulted in an overall debt service savings of \$212,054, and the net present value of the debt service savings, called an economic gain, amounted to \$164,575.

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

On August 1, 2017, the City deposited \$1,741,405 for the 2009 Brisbane Public Financing Authority Lease Revenue Bonds in an irrevocable trust with an escrow agent to provide funds for the future debt service on the refunded bonds. As a result, the bonds are considered defeased and the liability for those bonds have been removed from the statement of net position.

The annual debt service requirements on the bonds are as follows:

June 30:	Principal	Interest	Total
2020	\$126,000	\$30,388	\$156,388
2021	128,000	27,602	155,602
2022	130,000	24,774	154,774
2023	131,000	21,902	152,902
2024	138,000	19,006	157,006
2025-2029	722,000	48,398	770,398
<b>Total</b>	<b>\$1,375,000</b>	<b>\$172,070</b>	<b>\$1,547,070</b>

**E. 2018 San Mateo County Library Construction Loan (Direct Borrowing)**

During the fiscal year ended June 30, 2018, the City entered into a loan agreement with the County of San Mateo in the amount of \$1.7 million to ensure completion of the Library Project. The Project currently includes construction and construction management of the new library. Principal payment will be due each April and December 15, commencing in December 2018. Interest will be payable semiannually on April and December 15 each year. With an annual interest percentage rate of 1.2%. Final payment shall be made no later than April 15, 2033.

Repayments made by the City are payable from secured property tax revenues lawfully available to the City. In the event that there are insufficient property tax revenues due to the City on any given payment due date, the County shall take from any other available tax apportionments otherwise due to the City to fulfill the balance of the payment. In the event the Library changes use or the construction of the Library is delayed, the County has the option to require that the City immediately repay to the County all funds disbursed to the City pursuant to the loan agreement, including interest accrued at 1.2% annually.



**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

The annual payment requirements on the loan are as follows:

Year ending June 30:	Principal	Interest	Total
2020	\$226,668	\$34,775	\$261,443
2021	113,334	\$17,423	130,757
2022	113,334	\$16,095	129,429
2023	113,334	\$14,735	128,069
2024	113,334	\$13,399	126,733
2025-2029	566,670	\$46,451	613,121
2030-2033	453,326	\$12,698	466,024
<b>Total</b>	<b>\$1,700,000</b>	<b>\$155,576</b>	<b>\$1,855,576</b>

**F. Energy Conservation Loan (Direct Borrowing)**

On October 8, 2010 the City received a loan from the California Energy Resources Conservation and Development Commission for project costs associated with the installation of LED street lighting. Principal and interest payments are due semiannually on June 22 and December 22, with an interest rate of 1%.

The annual payment requirements on the loan are as follows:

June 30:	Principal	Interest	Total
2020	\$13,343	\$861	\$14,204
2021	13,479	725	14,204
2022	13,612	590	14,202
2023	13,751	453	14,204
2024	13,888	316	14,204
2025-2026	21,093	211	21,304
<b>Total</b>	<b>\$89,166</b>	<b>\$3,156</b>	<b>\$92,322</b>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**G.     *Energy Efficiency Retrofit Loan (Direct Borrowing)***

On November 13, 2013 the City received a loan from the Pacific Gas & Electric Company (PG&E) for project costs associated with the installation of LED street lighting. This is an interest free loan, and principal payments are due monthly.

The loan agreement contains events of default that require the loan balance to become immediately due and payable as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

The annual payment requirements on the loan are as follows:

Year ending June 30:	Principal	Total
2020	\$8,144	\$8,144
2021	8,144	8,144
2022	681	681
<b>Total</b>	<b>\$16,969</b>	<b>\$16,969</b>

**H.     *2015 Utility Revenue Bonds***

On June 3, 2015, the Brisbane Guadalupe Valley Municipal Improvement District Financing Authority and the City issued utility revenue bonds of \$8,310,000 which repaid in full the outstanding principal of the 2012 Brisbane Installment Sale Agreement. The interest on the 2015 bonds is payable semiannually on each March 1 and September 1, with interest rate of 3.11% per annum. Principal payments are due annually on September 1 from September 1, 2015 to September 1, 2035.

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

The bonds repayments are payable and secured by a pledge of the net revenues of the Utility Enterprise Fund as defined under the bond indenture, which must be equal to at least 125% of the current annual debt service requirements. In accordance with the revenue bond covenant, if pledged revenues during the year are less than 125% of maximum annual debt service coverage due at the end of the fiscal year, the outstanding amounts of the bonds become immediately due. Total debt service paid in the current year was \$615,650 and Utility Enterprise Fund net revenue was \$962,517.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

The annual payment requirements on the loan are as follows:

Year ending June 30:	Principal	Interest	Total
2020	\$340,000	\$279,150	\$619,150
2021	360,000	261,650	621,650
2022	385,000	243,025	628,025
2023	400,000	223,400	623,400
2024	415,000	203,025	618,025
2025-2029	2,375,000	718,288	3,093,288
2030-2034	2,260,000	298,869	2,558,869
2035-2036	670,000	25,106	695,106
<b>Total</b>	<b>\$7,205,000</b>	<b>\$2,252,513</b>	<b>\$9,457,513</b>

**I. 2015 Installment Sale Agreement (Direct Placement)**

On June 5, 2015, the Brisbane Guadalupe Valley Municipal Improvement District Financing Authority and the City entered into an installment sale agreement in the amount of \$4,174,000 which paid for the dredging of the Marina. The interest on the agreement is payable semiannually on each May 1 and November 1, with interest rate of 3.12% per annum. Principal payments are due semiannually on May 1 and November 1 from November 1, 2016 to May 1, 2027.

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

The repayments are payable and secured by a pledge of the net revenues of the Marina Enterprise Fund as defined under the agreement, which must be equal to at least 125% of the current annual debt service requirements. In accordance with the agreement, if pledged revenues during the year are less than 125% of maximum annual debt service coverage due at the end of the fiscal year, the outstanding amounts of the bonds become immediately due. Total debt service paid in the current year was \$460,036 and Marina Enterprise Fund net operating income was \$758,037.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

The annual payment requirements on the installment sale agreement are as follows:

Year ending June 30:	Principal	Interest	Total
2020	\$379,000	\$102,991	\$481,991
2021	391,000	91,073	482,073
2022	405,000	78,764	483,764
2023	417,000	66,035	483,035
2024	430,000	52,931	482,931
2025-2027	1,373,000	75,957	1,448,957
<b>Total</b>	<b>\$3,395,000</b>	<b>\$467,751</b>	<b>\$3,862,751</b>

**J. 2017 Marina Wi-Fi Capital Lease (Direct Borrowing)**

On July 5, 2017, the City entered into a lease purchase agreement with KS State Bank for Wi-Fi equipment. The cost of the lease equipment was \$102,750. The City makes monthly payments of \$2,334 over a lease period of four years, including interest payments at a rate of 4.3%. At the end of the term, the equipment becomes the property of the City.

The agreement contains events of default that require the revenue of the City to be applied by the lessor as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City.

The annual payment requirements on the Capital Lease are as follows:

Year ending June 30:	Principal	Interest	Total
2020	\$26,021	\$1,992	\$28,013
2021	27,170	843	28,013
2022	2,518	25	2,543
Subtotal	55,709	2,860	58,569
Plus			
Unamortized Premium	1,290		1,290
<b>Total</b>	<b>\$56,999</b>	<b>\$2,860</b>	<b>\$59,859</b>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**K. Non-City Obligation**

The following bond issue is not reported in the City's financial statements, because it is considered special obligations payable solely from and secured by specific revenue sources described in the resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the County of San Mateo, the State of California or any political subdivision thereof, is pledged for payment of these bonds.

	Original Amount	Outstanding June 30, 2018
Northeast Ridge Development District 2013 Reassessment & Refunding District Bonds	\$ 3,395,000	\$ 1,045,000

**NOTE 8 - NET POSITION AND FUND BALANCES**

**A. Net Position**

Net Position is the excess of all the City's assets and deferred outflows over all its liabilities, and deferred inflows regardless of fund. Net Position are divided into three captions and are applied only to Net Position, which is determined only at the Government-wide and proprietary funds level, and are described below:

*Net Investment in Capital Assets* describes the portion of Net Position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate-income purposes.

*Unrestricted* describes the portion of Net Position which is not restricted to use.

When an expense is incurred for purposes for which both restricted and unrestricted net positions are available, the City's policy is to apply restricted net positions first.

**B. Fund Balance**

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 8 - NET POSITION AND FUND BALANCES (Continued)</b>
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*Nonspendables* represents balances set aside to indicate items that do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, and assets not expected to be converted to cash, such as prepaids, notes receivable, and advances to other funds are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

*Restricted* fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and nonspendable amounts subject to restrictions are included along with spendable resources.

*Committed* fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action of the City Council. Encumbrances and nonspendable amounts subject to council commitments are included along with spendable resources.

*Assigned* fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

*Unassigned* fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual general fund balance and residual fund deficits, if any, of other governmental funds.

**C. *PARS Trust for Pension program***

The City established an irrevocable trust with Public Agency Retirements Services (PARS) to set aside funds for pension liability.

At June 30, 2019, the cash and investment balance in the trust was \$530,276. The City Council reserves the authority to review and amend this funding policy from time to time, in order to ensure the funding policy continues to best suited the circumstances of the City.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 - NET POSITION AND FUND BALANCES (Continued)**

Detailed classifications of the City's fund balances, as of June 30, 2019, are below:

Fund Balance Classifications	General Fund	Low/Mod Income Housing Asset Special Revenue Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendables:					
Loans receivable	\$1,081,858				\$1,081,858
Other assets	6,027				6,027
Advances to other funds	730,524				730,524
Total Nonspendable Fund Balances	1,818,409				1,818,409
Restricted for:					
PARS pension trust	530,276				530,276
Low and moderate income housing projects		\$2,448,442			2,448,442
Debt service				\$1,724,336	1,724,336
Transportation and street improvements				170,262	170,262
Grant activities				578,207	578,207
Special revenue activities				43,993	43,993
				1,759,714	1,759,714
Total Restricted Fund Balances	530,276	2,448,442		4,276,512	7,255,230
Assigned to:					
Capital projects				3,914,703	3,914,703
Encumbrances	620,798				620,798
Fire sinking fund	199,958				199,958
Total Assigned Fund Balances	820,756			3,914,703	4,735,459
Unassigned	7,949,303		(\$1,226,996)	(18,239)	6,704,068
Total Fund Balances	\$11,118,744	\$2,448,442	(\$1,226,996)	\$8,172,976	\$20,513,166

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 8 - NET POSITION AND FUND BALANCES (Continued)</b>
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***D. Minimum Fund Balance Policies***

The City is required to maintain a General Fund reserve balance that responds to the following criteria:

1. Emergency or disaster circumstances, which is reviewed every three years and modified as appropriate. For fiscal year 2019, the amount, at minimum, is \$3,500,000.
2. Recession circumstances, such as revenue reductions caused by an economic downturn comparable to the Great Recession of 2008/2009. If the amount is drawn down by recessionary shortfalls in the budget, a plan will need to be established to replenish the balance as the economy recovers. For fiscal year 2019, the amount, at minimum, is \$2,500,000.
3. Annual fluctuation circumstances, estimated to compensate for unexpected fluctuations of 5% in expenditures beyond the budget and 5% in revenues below the budget. The amount will be recalculated every year as the budget changes. For fiscal year 2019, the minimum amount is approximately \$2,000,000.

For fiscal year 2019, the total amount to be set aside for emergency or disaster circumstances, recession circumstances and annual fluctuation circumstances is set at \$8,000,000. As of June 30, 2019, the actual total amount of fund balance of the General Fund was \$14,659,047 with an unassigned fund balance of \$11,375,570.

The City is required to maintain fund or working capital balances of at least 20% of operating expenditures in the Utility and Marina Enterprise Funds. This is considered the minimum level necessary to maintain the City's credit worthiness and to adequately provide for:

1. Economic uncertainties, local disasters, and other financial hardships, or downturns in the local or national economy.
2. Contingencies for unseen operating or capital needs.
3. Cash flow requirements.

At June 30, 2019, the Utility Enterprise Fund's required work capital balance is \$1,252,191. The fund's actual unrestricted net position at June 30, 2019 was \$4,816,541. At June 30, 2019, the Marina Enterprise Fund's required work capital balance is \$324,258. The fund's actual unrestricted net position at June 30, 2019 was (\$1,507,916). The City Council recognizes the Marina working capital balance is not in compliance with its fund balance requirement due to the Marina Dredging Project as it was built into the 2018/2019 budget.



**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 8 - NET POSITION AND FUND BALANCES (Continued)**

For General Fund assets, the City is required to establish and maintain an Equipment Replacement Fund to provide for the timely replacement of vehicles and capital equipment with an individual replacement cost of \$15,000 or more. The City is also required to maintain a minimum fund balance in the Equipment Replacement Fund of at least 20% of the original purchase cost of the items accounted for in this fund. The annual contribution to this fund will generally be based on the annual use allowance, which is determined based on the estimated life of the vehicle or equipment and its cost of replacement. Interest earnings and sales of surplus equipment as well as any related damage or insurance recoveries will be credited to the Equipment Replacement fund

The Council may designate specific fund balance levels for future development of capital projects, which it has determined to be in the best long-term interests of the City. In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for projects approved in prior years which are carried forward into the new year; debt service reserve requirements, reserves for encumbrances; and other reserves or designations required by contractual obligations, state law, or generally accepted accounting principles.

**E. Deficit Fund Balances/Net Position**

The following funds had deficit fund balances, which will be eliminated through the reduction in expenditures and/or the use of new funding sources:

Funds	Deficit Fund Balances/ Net Position
<b>Major Governmental Funds:</b>	
Capital Projects Fund	\$1,226,996
<b>Non-Major Governmental Funds:</b>	
2006 Pension Obligation Bonds	7,502
2009 Revenue Lease Bonds, Series A	3,062
2013 Pension Side Fund Bonds	1,010
Brisbane- Guadalupe Valley Municipal Improvement District	
Public Financing Authority	4,060
Special Beautification Project	2,605
<b>Internal Service Fund:</b>	
Dental Self-Insurance	86,267
Flexible Benefits	1,641
General Liability	13,178
Worker's Compensation	60,634

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 9 - PENSION PLANS</b>
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**A.     *General Information about the Pension Plan***

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

***Plans Description*** – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Employee Pension Rate Plans. The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors six rate plans (three miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	<b>Miscellaneous</b>		
	Prior to July 1, 2008	Prior to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-67+	50 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.092%-2.418%	1.0%-2.5%
Required employee contribution rates	8.0%	7.0%	6.25%
Required employer contribution rates	12.212%	8.099%	6.842%

	<b>Safety</b>		
	Prior to January 1, 2013	On or after January 1, 2013 (Fire)	On or after January 1, 2013 (Police)
Hire date			
Benefit formula	3% @ 55	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55+	50 - 57+	50 - 57+
Monthly benefits, as a % of eligible compensation	2.4%-3.0%	2.0%-2.7%	2.0%-2.7%
Required employee contribution rates	9.0%	12.0%	12.0%
Required employer contribution rates	18.677%	12.141%	12.141%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City's required contribution for the unfunded liability and side fund was \$1,151,411 in fiscal year 2019.

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

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

For the year ended June 30, 2019, the contributions to the Plan were as follows:

	Miscellaneous
Contributions - employer	\$1,116,863
	Safety
Contributions - employer	\$1,074,377

**B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

As of June 30, 2019, the City reported the following balances:

	Deferred outflows of resources	Net Pension Liability	Deferred inflows of resources
Miscellaneous	\$2,906,968	\$10,544,479	(\$871,794)
Safety	2,848,785	10,437,355	(732,700)
PARS	2,469	82,985	-
Total	<u>\$5,758,222</u>	<u>\$21,064,819</u>	<u>(\$1,604,494)</u>

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

	Miscellaneous
Proportion - June 30, 2017	0.27216%
Proportion - June 30, 2018	0.27979%
Change - Increase (Decrease)	<u>0.00763%</u>
	Safety
Proportion - June 30, 2017	0.17235%
Proportion - June 30, 2018	0.17788%
Change - Increase (Decrease)	<u>0.00553%</u>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

For the year ended June 30, 2019, the City recognized pension expense of \$2,812,809. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Safety Plan		Miscellaneous Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$1,074,377		\$1,116,863		\$2,191,240	
Differences between actual and expected experience	224,264	(\$851)	404,573	(\$137,674)	628,837	(\$138,525)
Changes in assumptions	1,024,087	(138,168)	1,202,102	(294,612)	2,226,189	(432,780)
Net differences between actual and proportional contribution		(510,595)		(365,158)		(875,753)
Net differences between projected and actual earnings on plan investments	70,666		52,129		122,795	
Adjustment due to differences in proportion	455,391	(83,086)	131,301	(74,350)	586,692	(157,436)
Total	<u>\$2,848,785</u>	<u>(\$732,700)</u>	<u>\$2,906,968</u>	<u>(\$871,794)</u>	<u>\$5,755,753</u>	<u>(\$1,604,494)</u>

\$2,191,240 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Safety Plan		Miscellaneous Plan	
Year Ended	Annual	Year Ended	Annual
June 30	Amortization	June 30	Amortization
2020	\$846,644	2020	\$890,202
2021	515,769	2021	503,403
2022	(248,411)	2022	(380,452)
2023	(72,294)	2023	(94,842)
Total	<u>\$1,041,708</u>	Total	<u>\$918,311</u>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

**Actuarial Assumptions** – For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2017 total pension liability was based on the following actuarial methods and assumptions:

	All CalPERS Plans
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)
Mortality Rate Table	Derived using CalPers Membership Data for all Funds (2)

(1) Net of Pension plan investment and administrative expenses, including inflation.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the December 2017 CalPERS website under Forms and publications.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

**Changes of Assumptions** – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% is used this period.

(c) An expected inflation of 2.92% used for this period.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

***Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the City’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	6.15%	6.15%
Net Pension Liability	\$16,121,886	\$16,308,371
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$10,544,479	\$10,437,355
1% Increase	8.15%	8.15%
Net Pension Liability	\$5,940,421	\$5,627,109

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

**C. *Public Agency Retirement System Retirement Enhancement Plan***

***Plans Description*** – The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS), single-employer plan, effective October 2005 for an executive employee of the City. PARS is a defined benefit 401(a) tax-qualified multiple agency trust. It meets the requirements of a pension trust under California Government code. The plan provides supplemental retirement benefits in addition to PERS. Phase II Systems is the PARS Trust Administrator. PARS issues a separate comprehensive annual financial report. Copies of PARS annual financial report may be obtained from the PARS Executive Office, 3961 MacArthur Boulevard, Suite 200, Newport Beach, CA 92660.

***Benefits Provided*** – The PARS Plan provides a 1% enhancement to the current CalPERS benefit formula. Benefit service includes all full-time continuous service with the City from date of hire. The participant is eligible to receive the benefit at age 63 after 10 years of full-time continuous service and concurrent termination of employment from the City and retirement under CalPERS.

At June 30, 2019, the PARS Plan had one active employee covered by the benefit.



**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

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

For the year ended June 30, 2019, the contributions to the PARS Plan were as follows:

	Miscellaneous
	PARS
Contributions - employer	\$35,337

**Discount Rate** – The discount rate used to measure the total pension liability for the PARS Plan was 6.50%. The pension trust is projected to have sufficient assets to pay benefits per the Plan’s current contribution policy.

	PARS
Valuation Date	June 30, 2017
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.75%
Payroll Growth	2.0%
Projected Salary Increase	2.0%
Investment Rate of Return	6.50%
Mortality Rate Table	Pre-retirement: Consistent with the Non-Industrial rates used to value the Miscellaneous Public Agency CalPERS Pension Plans.
	Post-retirement: CalPERS 1997-2011 Healthy Retiree Tables (sex-distinct) with an assumed base year of 2008 and full generational projections using Scale AA.

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

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return	Long-Term Expected Geometric Real Rate of Return
US Cash	2.45%	0.71%	0.71%
US Core Fixed Income	46.23%	1.83%	1.73%
US Equity Market	38.82%	4.71%	3.52%
Foreign Developed Equity	5.82%	6.06%	4.55%
Emerging Markets Equity	4.32%	8.23%	5.43%
US REITs	2.36%	5.05%	3.42%
Total	100%		

***Pension Liabilities, Pensions Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions*** – The City’s net pension liability is measured as the total pension liability less the pension plan’s fiduciary net position. The net pension liability of the PARS Plan is measured as of June 30, 2019, and the total pension liability for the PARS Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018.

The following table shows the net pension liabilities for the PARS Plan and the respective changes in the net pension liabilities recognized over the measurement period.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<b>Balance at June 30, 2018</b>	\$586,209	\$494,874	\$91,335
<b>Changes for the year:</b>			
Service cost	18,204		18,204
Interest on the total pension liability	39,287		39,287
Employer contributions		35,337	(35,337)
Net investment income		33,121	(33,121)
Administrative expenses		(2,617)	2,617
<b>Net changes during 2018-19</b>	57,491	65,841	(8,350)
<b>Balance at June 30, 2019</b>	\$643,700	\$560,715	\$82,985

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 9 - PENSION PLANS (Continued)**

For the year ended June 30, 2019, the City recognized pension expense of \$38,254, for the PARS Plan. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous PARS Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$991	
Net differences between projected and actual earnings on plan investments	1,478	
Total	<u>\$2,469</u>	<u>\$0</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	MISC PARS Annual Amortization
2020	\$4,143
2021	(2,119)
2022	425
2023	20
Total	<u>\$2,469</u>

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate*** – The following presents the net pension liability of the PARS Plan as of the measurement date, calculate using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50%) or 1 percentage-point higher (7.50%) than the current rate:

	Miscellaneous - PARS
1% Decrease	5.50%
Net Pension Liability	\$137,579
Current Discount Rate	6.50%
Net Pension Liability	\$82,985
1% Increase	7.50%
Net Pension Liability	\$32,968

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**A. Plan Description and Funding Policy**

The City administers a single-employer defined benefit post-employment healthcare plan. Employees hired prior to July 1, 2008, have the stipulated years of service, and retire directly from the City, are eligible to receive up to the Kaiser rate (family or single, depending on MOU) and the Medicare eligible rate after reaching the age of 65. This same benefit may continue to a surviving spouse depending on the retirement plan election. Currently there are 43 retirees receiving post-employment health care benefits from the City.

	Exec Mgmt, HR Admin, Conf Mgmt, Police Chief	Conf, Mid-Mgmt, Police Commanders	General, Firefighters, Police Officers
▪ Eligibility	Hired < 7/1/08 and Retire Directly from the City		
	• 10 years of Municipal Government Service	• 15 years of Municipal Government service	• 15 years of City service
▪ Cash Stipend	• Up to Kaiser family • Medicare eligible rate ≥ 65	• Up to Kaiser family • Medicare eligible rate ≥ 65	• Up to Kaiser single • Medicare eligible rate ≥ 65
▪ PEMHCA minimum	• Retirees not eligible for Cash Stipend • Includes hourly employees and City Council <div><div><div>Year</div><div>Monthly Amount</div></div><div><div>2017</div><div>\$128</div></div><div><div>2018</div><div>133</div></div><div><div>2019</div><div>136</div></div></div>		
▪ Surviving Spouse Benefit	• Retirement plan election • PEMHCA minimum benefit continues to surviving spouses • No Cash Stipend for surviving spouses		
▪ Dental, Vision & Life	• None		

As of June 30, 2019, approximately 53 participants were eligible to receive benefits.

**A. Employees Covered by Benefit Terms**

At June 30, 2019, the benefit terms covered the following employees:

	<u>Number of Covered Employees</u>
Retirees and beneficiaries receiving benefits	43
Active employees	68
Inactive employees entitled to but not receiving benefits	10
	<u>121</u>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)</b>
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**B.     *Net OPEB Liability***

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

**C.     *Actuarial Assumptions***

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified:

Measurement Date	June 30, 2018
Funding Policy	Annual actuarial determined contributions.
Salary Increases	Aggregate salary increases, 2.75%. Individual salary increased based on CalPERS
Healthcare Cost Trend Rate	6.50% in the first year, trending down to 3.84% over 57 years
Inflation	2.50%
Actuarial Assumptions:	
Discount Rate	6.25%
Investment Rate of Return	6.25%
Mortality	Based on CalPERS tables

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**D. Changes in the Net OPEB Liability**

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
<b>Balance at Fiscal Year Ending 6/30/2018:</b>			
<b>(Measurement Date 6/30/17)</b>	\$7,027,752	\$1,195,729	\$5,832,023
<b>Changes Recognized for the Measurement Period:</b>			
Service cost	213,187	-	213,187
Interest	443,442	-	443,442
Changes of assumptions	16,310	-	16,310
Contributions:			
Employer - City's contribution	-	619,950	(619,950)
Employer - Implicit subsidy	-	104,418	(104,418)
Net investment income	-	79,874	(79,874)
Benefit payments	(219,950)	(219,950)	-
Implicit rate subsidy fulfilled	(104,418)	(104,418)	-
Administrative expenses*	-	(3,123)	3,123
<b>Net Changes during Fiscal Year 2019</b>	<b>348,571</b>	<b>476,751</b>	<b>(128,180)</b>
<b>Balance at Fiscal Year Ending 6/30/2019:</b>	<b>\$7,376,323</b>	<b>\$1,672,480</b>	<b>\$5,703,843</b>

**E. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%), as follows:

	Discount Rate		
	1% Decrease	Current	1% Increase
	(5.25%)	(6.25%)	(7.25%)
Net OPEB Liability	\$6,661,122	\$5,703,843	\$4,903,384

**F. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than current healthcare cost trend rates, as follows:

	Trend Rate		
	1% Decrease	Current	1% Increase
	5.50% decreasing to 2.84%	6.50% decreasing to 3.84%	7.50% decreasing to 4.84%
Net OPEB Liability	\$4,811,541	\$5,703,843	\$6,788,710

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**G. OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$200,058. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$335,461	
Differences between actual and expected experience		(\$644,954)
Net difference between projected and actual earnings on OPEB plan investments	11,330	
Changes of assumptions	13,980	(1,194,468)
Total	<u>\$360,771</u>	<u>(\$1,839,422)</u>

A total of \$335,461 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	Annual Amortization
2020	(\$365,686)
2021	(365,686)
2022	(365,687)
2023	(365,695)
2024	(353,688)
Thereafter	2,330
Total	<u>(\$1,814,112)</u>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**H. OPEB Trust Fund**

**(i) Plan Administration**

The City is the plan administrator. The Public Agency Retirement Services (PARS) administers the trust for the City. The City contracts with CalPERS, an agent multiple-employer plan administered by CalPERS to provide integrated medical/prescription drug coverage under the Public Employees' Medical and Hospital Care Act (PEMHCA).

	Fiscal Year ended 6/30/19
Plan Type	Agent Multiple Employer
OPEB Trust	Yes
Special Funding Situation	No
Nonemployer Contributing Entity	No

**(ii) Contribution Information**

The City's funding/contribution policy is to continue to pay healthcare premiums for retirees as they fall due. In addition, the City established this irrevocable trust with Public Agency Retirement Services (PARS) to set aside funds for OPEB liability. At June 30, 2019, the balance of the trust was \$2,189,421. The City reserves the authority to review and amend this funding policy from time to time, in order to ensure that the funding policy continues to best suit the circumstances of the City.

**(iii) Investment Policy**

PARS offers different investment portfolios as part of the investment vehicle. The City's policy regarding the allocation of the plan's invested assets is established and may be amended by the management of the City of Brisbane. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the City has selected is the Moderate Objective, which has a dual goal to seek moderate growth of income and principal. The asset allocation ranges for this objective as of June 30, 2019, are listed below:

The following is the City adopted asset allocation policy as of June 30, 2019:

Asset Class Component:	Target Allocation	Expected Real Rate of Return
Domestic Equities	50.00%	5.39%
Fixed Income	50.00%	2.08%
Assumed Long Term Rate of Inflation		2.50%
Discount Rate		6.25%



**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)</b>
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Market conditions may cause the account's asset allocation to vary from the stated range from time to time. The investment manager (assisting the City) will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with the objectives.

**(iv)     *Investment Concentration***

As of June 30, 2019, the City's Trust did not have investments in any one organization exceeding 5% of the City's Trust investments.

**(v)     *Investment Rate of Return***

For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.73%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

<b>NOTE 11 - RISK MANAGEMENT</b>
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The City is exposed to various risks of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disasters and employee health insurance claims. The City participates in the following public entity risk pools.

**A.     *General Liability Insurance***

The City is a member of Bay Cities Joint Powers Insurance Authority (BCJPIA). The BCJPIA is a public agency created in 1986 by and among various municipalities in Northern California to provide a pooled approach to liability insurance pursuant to the California Government Code. The BCJPIA is governed by a Board of Directors which is comprised of appointed officials from the member entities. The purpose of the pool is to provide certain levels of liability coverage, claims administration, and loss control support to member agencies. Annually, each member pays an actuarially determined premium based on a formula which takes into account the prior three years' loss experience, annual payroll, and population.

The City self-insures the first \$25,000 of each liability loss. The BCJPIA pools the layer from \$25,001 and purchases excess insurance from \$1,000,000 per year.

**B.     *Workers' Compensation***

On July 1, 2000, the City became a member of Workers' Compensation from Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX). The City is self-insured for the first \$150,000 of a claim. The LAWCX covers claims from \$150,001 to \$1,000,000 and purchases excess insurance from \$1,000,000 up to statutory limit. Prior to July 1, 2000 the City was a member of the San Mateo County Cities Group (Cities Group). When the City left the Cities Group it took on the responsibility for all current and future claims which would have been covered by the Cities Group.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 11 - RISK MANAGEMENT (Continued)**

The LAWCX is a public agency created in 1992 by and among self-insured workers' compensation joint power authorities, individual public entities, and special districts throughout California to provide a pooled approach to excess workers' compensation insurance pursuant to the California Government Code. The LAWCX is governed by a Board of Directors which is comprised of appointed officials from its member entities. The purpose of the pool is to provide excess workers' compensation insurance to its member agencies. Annually each member pays an actuarially determined premium based on a formula approved by the Board of Directors.

**C. Long-Term Disability and Other Benefit Insurance**

Other coverage provided to the City's workers, such as long-term disability, and unemployment insurance are covered by purchased insurance.

As of June 30, 2019, the estimated claims payable for general liability and workers' compensation included claims incurred but not reported (IBNR). There were no reductions in insurance coverage from the prior year and no insurance settlement exceeded coverage in each of the past three years.

Beginning balance of claims payable	\$1,414,243
Changes to estimated claims liability	(302,145)
Claims paid	<u>(237,475)</u>
Ending balance of claims payable	<u><u>\$874,623</u></u>
Current Portion	<u><u>\$259,768</u></u>

**NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES**

**A. Lawsuits**

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, will not have a material adverse effect on the financial condition of the City.

**B. Federal and State Grant Programs**

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.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)</b>
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**C.     *Operating Leases***

The City leased four copiers from Caltronics Business Systems, one from KBA Docusys, one copier and one folder and inserter from Pacific Office Automation for the operations of the City and the Marina. The total amount of the outstanding lease at June 30, 2019 amounted to \$101,345. The City does not intend to capitalize the equipment at the end of the lease. Payments were expenditures from the General and Marina funds. The rental cost for the year ended June 30, 2019 was \$35,735 for the General Fund and \$2,200 for the Marina Fund.

**D.     *Encumbrances***

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2019 were as listed below:

	<u>Amount</u>
General Fund	\$620,798
NPDES Special Revenue Fund	97,381
Facility Internal Service Fund	15,800
Grant Special Revenue Fund	1,734

**E.     *Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge***

The City contracts with the City and County of San Francisco for the purchase of water from the Hetch Hetchy System operated by the San Francisco Public Utilities Commission (SFPUC). The City is also a member of the Bay Area Water Supply and Conservation Agency (BAWSCA) which represents the interests of all the 24 cities and water districts, as well as two private utilities, that purchase wholesale water from the SFPUC.

In 2009 the City entered into a new 25 year agreement with the SFPUC that includes a minimum water delivery level of 0.98 MGD. One of the ways that the new agreement differs from the old is in how facilities constructed by the SFPUC that benefit the regional customers are treated from a rate and financial perspective. Under the old agreement, facilities were built, capitalized, and added to the rate base with a rate of return (interest), and then paid for over their useful lives through wholesale rates. Under the new agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)</b>
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During the transition from the old to the new contracts, one of the issues addressed was how to deal with the \$370 million in assets that were still being paid for by the wholesale customers under the old agreement. The assets were transferred to the new agreement, assigned a life with an agreed upon rate of return of 5.13%. Also negotiated was a provision to allow the wholesale customers to prepay any remaining existing assets' unpaid principal balance without penalty or premium. This prepayment was executed through the issuance of bonds by BAWSCA which provide a better interest rate given the favorable rate environment.

BAWSCA issued Revenue Bonds in the principal amount of \$335,780,000 in January 2013 to prepay the capital cost recovery payment obligation and fund a stabilization fund. The Bonds mature in October 2034 and are secured by surcharges to the monthly water purchase charges imposed upon the participating members. The Bonds are not a debt obligation of any member, and BAWSCA's failure to pay its Bonds would not constitute a default by any participating member.

Should any participating member fail to pay its share, BAWSCA will rely on the stabilization fund and will pursue all legal remedies to collect the shortfall from the delinquent member. In the interim, other participating members may have their portion adjusted to insure the continued payment of the debt service surcharge.

The risk of bearing the debt service expense of a defaulting member is not significantly different than the risk each member assumes currently for fluctuations in water purchase charges. Under the Bond indenture, BAWSCA maintains a stabilization fund. If surcharge revenues collected are less than needed (due to a member's failure to pay timely), BAWSCA uses the stabilization fund to fund the debt service deficiency, and increases the surcharge in the subsequent year to make up for the prior year shortfall and reimburse the stabilization fund account. Also, given that each participating agency's governing body adopted a Resolution to participate in the Bond issue, Management believes that default is generally very unlikely.

The annual debt service surcharges are a fixed amount for each participant and are calculated by taking the subsequent fiscal year's debt service, multiplied by each participant's actual water purchase as a percent of total wholesale customer water purchases from the prior fiscal year. One-twelfth of the annual surcharge is included in the monthly bill from SFPUC. Because each participant's share of the debt service surcharge is proportional to the amount of water purchased during the prior fiscal year, the City's share of the debt service will fluctuate from year to year.

The City paid its surcharge of \$134,880 during fiscal year 2019, which is included as a component of purchased water expenses in the Utility Enterprise Fund. The surcharge for fiscal year 2020 is estimated to be \$153,252.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 12 - COMMITMENTS AND CONTINGENT LIABILITIES (Continued)</b>
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**F.      *San Mateo County Animal Shelter***

Since 1951, cities in San Mateo County have contracted with the County to manage animal control field and sheltering services. The current shelter has been determined to be inadequate to meet current animal sheltering services. In May 2014, all the municipalities signed an agreement, effective September 9, 2014, to share in the construction costs for a new animal control center by repaying the County through a 30-year, interest-free lease agreement in the amount of \$20.2 million. The City's share of annual lease payment is based on a methodology of three year average of shelter use and percentage of population. The City's estimated annual lease payment is \$5,600. Payments commence after the new animal shelter facility is completed, and are due each July 1<sup>st</sup>. As of June 30, 2019, construction of the new animal shelter facility had yet to be completed.

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 13 - SEGMENT INFORMATION**

The City issued utility revenue bonds to finance the repayment of the 2012 Brisbane Installment Sale Agreement. The water, sewer and Guadalupe Valley Municipal Improvement District activities are accounted for in the Utility Enterprise Fund. Segment information is presented below:

**Utility Fund Statement of Net Position**

	Water	Sewer	Guadalupe Valley Municipal Improvement District	Total Utility
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$156,277	\$401,301	\$5,595,464	\$6,153,042
Restricted cash	1,611,623	402,906	2,014,528	4,029,057
Accounts receivable, net	435,382	379,767	375,381	1,190,530
Taxes receivable			143	143
Interest receivable	9,170	6,525	16,351	32,046
Total current assets	2,212,452	1,190,499	8,001,867	11,404,818
Noncurrent assets:				
Capital assets:				
Non-depreciable	543,652	113,685	1,127,329	1,784,666
Depreciable, net	7,840,730	4,162,429	12,583,473	24,586,632
Total capital assets	8,384,382	4,276,114	13,710,802	26,371,298
Total noncurrent assets	8,384,382	4,276,114	13,710,802	26,371,298
<b>Total assets</b>	<b>10,596,834</b>	<b>5,466,613</b>	<b>21,712,669</b>	<b>37,776,116</b>
<b>DEFERRED OUTFLOWS</b>				
Deferred outflows related to pension	72,736	72,736	72,736	218,208
Deferred outflows related to OPEB	3,941	3,941	3,941	11,823
<b>Total Deferred Outflows</b>	<b>76,677</b>	<b>76,677</b>	<b>76,677</b>	<b>230,031</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	204,474	272,370	250,912	727,756
Accrued payroll	4,500	7,270	5,658	17,428
Interest payable	32,771	32,771	32,770	98,312
Compensated absences	8,642	3,600	3,498	15,740
Deposits	4,756	4,756	4,757	14,269
Bonds payable due within one year	113,333	113,333	113,334	340,000
Total current liabilities	368,476	434,100	410,929	1,213,505
Noncurrent liabilities:				
Compensated absences	25,926	10,801	10,492	47,219
Advances from other funds				-
Bonds payable due in more than one year	2,288,333	2,288,333	2,288,334	6,865,000
Net pension liability	265,687	265,687	265,686	797,060
Net OPEB liability	62,306	62,306	62,305	186,917
Total noncurrent liabilities	2,642,252	2,627,127	2,626,817	7,896,196
<b>Total liabilities</b>	<b>3,010,728</b>	<b>3,061,227</b>	<b>3,037,746</b>	<b>9,109,701</b>
<b>DEFERRED INFLOWS</b>				
Deferred inflows related to pension	21,795	21,795	21,795	65,385
Deferred inflows related to OPEB	20,093	20,093	20,093	60,279
<b>Total Deferred Inflows</b>	<b>41,888</b>	<b>41,888</b>	<b>41,888</b>	<b>125,664</b>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	7,594,339	2,277,354	13,323,662	23,195,355
Restricted for:				
Capital projects	717,981	40,904		758,885
Unrestricted	(691,425)	121,917	5,386,050	4,816,542
<b>Total net position</b>	<b>\$7,620,895</b>	<b>\$2,440,175</b>	<b>\$18,709,712</b>	<b>\$28,770,782</b>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 13 - SEGMENT INFORMATION (Continued)**

**Utility Fund Statement of Activities**

	Water	Sewer	Guadalupe Valley Municipal Improvement District	Total Utility
<b>OPERATING REVENUES:</b>				
Charges for services	\$1,719,657	\$1,223,603	\$3,066,475	\$6,009,735
<b>Total operating revenues</b>	<u>1,719,657</u>	<u>1,223,603</u>	<u>3,066,475</u>	<u>6,009,735</u>
<b>OPERATING EXPENSES:</b>				
Costs of sales and services	1,195,940	944,308	1,282,347	3,422,595
General and administrative	713,867	793,645	732,401	2,239,913
Depreciation	175,729	84,483	338,235	598,447
Other	-	-	-	-
<b>Total operating expenses</b>	<u>2,085,536</u>	<u>1,822,436</u>	<u>2,352,983</u>	<u>6,260,955</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(365,879)</u>	<u>(598,833)</u>	<u>713,492</u>	<u>(251,220)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Taxes and assessments			33,039	33,039
Investment income	95,534	95,534	95,533	286,601
Interest expense	(60,978)	(60,978)	(60,978)	(182,934)
<b>Total nonoperating revenues (expenses)</b>	<u>34,556</u>	<u>34,556</u>	<u>67,594</u>	<u>136,706</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<u>(331,323)</u>	<u>(564,277)</u>	<u>781,086</u>	<u>(114,514)</u>
Developer Contributions	60,000			60,000
Transfers in	14,333	14,333	14,334	43,000
Transfers out	(51,625)		(54,208)	(105,833)
<b>Total transfers in and out</b>	<u>(37,292)</u>	<u>14,333</u>	<u>(39,874)</u>	<u>(62,833)</u>
<b>Change in net positions</b>	<u>(368,615)</u>	<u>(549,944)</u>	<u>741,212</u>	<u>(177,347)</u>
<b>NET POSITIONS:</b>				
Beginning of year, as restated	7,929,510	2,990,119	17,968,500	28,888,129
End of year	<u>\$7,620,895</u>	<u>\$2,440,175</u>	<u>\$18,709,712</u>	<u>\$28,770,782</u>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

**NOTE 13 - SEGMENT INFORMATION (Continued)**

**Utility Fund Statement of Cash Flows**

	Water	Sewer	Guadalupe Valley Municipal Improvement District	Total Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$1,638,984	\$1,202,930	\$3,045,803	\$5,887,717
Cash payments to suppliers	(1,811,626)	(1,665,049)	(1,944,227)	(5,420,902)
<b>Net cash provided (used) by operating activities</b>	<b>(172,642)</b>	<b>(462,119)</b>	<b>1,101,576</b>	<b>466,815</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Taxes and assessments	-	-	32,988	32,988
Advances from other funds	-	-	-	-
Transfers in	14,333	14,333	14,334	43,000
Transfers out	(51,625)	-	(54,208)	(105,833)
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(37,292)</b>	<b>14,333</b>	<b>(6,886)</b>	<b>(29,845)</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Principal payment of debt	(106,668)	(106,666)	(106,666)	(320,000)
Interest paid	(97,260)	(97,260)	(97,262)	(291,782)
<b>Net cash provided (used) by capital     and related financing activities</b>	<b>(203,928)</b>	<b>(203,926)</b>	<b>(203,928)</b>	<b>(611,782)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment income received	93,463	97,189	89,066	279,718
<b>Net cash provided (used) by investing activities</b>	<b>93,463</b>	<b>97,189</b>	<b>89,066</b>	<b>279,718</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(320,399)</b>	<b>(554,523)</b>	<b>979,828</b>	<b>104,906</b>
<b>CASH AND CASH EQUIVALENTS:</b>				
Beginning of year	2,483,040	1,472,415	7,198,589	11,154,044
End of year	<u>\$2,162,641</u>	<u>\$917,892</u>	<u>\$8,178,417</u>	<u>\$11,258,950</u>
<b>FINANCIAL STATEMENT PRESENTATION:</b>				
Cash and cash equivalents	\$156,277	\$401,301	\$5,595,464	\$6,153,042
Restricted cash and cash equivalents with fiscal agents	1,611,623	402,906	2,014,528	4,029,057
<b>Total cash and cash equivalents</b>	<b><u>\$1,767,900</u></b>	<b><u>\$804,207</u></b>	<b><u>\$7,609,992</u></b>	<b><u>\$10,182,099</u></b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	(\$365,879)	(\$598,833)	\$713,492	(\$251,220)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	175,729	84,483	338,235	598,447
Changes in current assets and liabilities:				
Accounts receivable	(80,673)	(20,673)	(20,672)	(122,018)
Accounts payable and accrued liabilities	87,577	70,264	62,437	220,278
Accrued payroll	948	1,285	(75)	2,158
Compensated absences	2,793	(5,508)	1,297	(1,418)
Deposits	(892)	(892)	(891)	(2,675)
Net pension liability, deferred inflows and deferred outflows	9,234	9,234	9,233	27,701
Net OPEB liability, deferred inflows and deferred outflows	(1,479)	(1,479)	(1,480)	(4,438)
Total adjustments	193,237	136,714	388,084	718,035
<b>Net cash provided (used) by operating activities</b>	<b><u>(\$172,642)</u></b>	<b><u>(\$462,119)</u></b>	<b><u>\$1,101,576</u></b>	<b><u>\$466,815</u></b>

See accompanying Notes to Basic Financial Statements.



**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES</b>
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**A.     *Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund***

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Cash and investments of the Successor Agency as of June 30, 2019 are discussed in Note 3 above.

**B.     *Long-Term Obligations***

Description	Balance June 30, 2018	Retirements	Balance June 30, 2019	Current Portion	Non-current Portion
2013 Tax Allocation Bonds	12,070,000	(1,280,000)	\$10,790,000	\$1,335,000	\$9,455,000
Total long-term debt	<u>\$12,070,000</u>	<u>(\$1,280,000)</u>	<u>\$10,790,000</u>	<u>\$1,335,000</u>	<u>\$9,455,000</u>
Loans payable to the City of Brisbane					
City General Fund	1,093,108	(530,000)	\$563,108		
City Marina Enterprise Fund	<u>2,295,996</u>		<u>2,295,996</u>		
Total loans payable to the City	<u>\$3,389,104</u>	<u>(\$530,000)</u>	<u>\$2,859,104</u>		

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY          ACTIVITIES (Continued)</b>
--

**1. 2013 Tax Allocation Bonds**

On December 27, 2013 the Successor Agency issued \$17,470,000 principal amount of 2013 Tax Allocation Bonds to refund the 1998 Housing Set Aside Revenue Bonds and the 2001 Tax Allocation Bonds. Net proceeds of \$19,380,905 were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payments on the refunded bonds. As a result, the 1998 Housing Set Aside Revenue Bonds and the 2001 Tax Allocation Bonds are considered defeased and the liability for those bonds has been removed from the Successor Agency's Statement of Net Position. The reacquisition price was less than the net carrying value of the refunded bonds by \$3,485,599.

The 2013 Tax Allocation Bonds mature annually through May 2028, in amounts ranging from \$90,000 to \$1,710,000. Principal and interest on the bonds are payable semiannually on each February 1 and August 1, and the Bonds bear interest 4.14% per annum. The Bonds are payable from and secured by tax revenue distributed from the county's Redevelopment Property Tax Trust Fund. The bond covenant contains events of default that require the revenue of the Successor Agency to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the Successor Agency to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the Successor Agency; or if any court or competent jurisdiction shall assume custody or control of the Successor Agency.

Total principal and interest remaining to be paid on the bonds is \$12,570,611. Principal and interest paid for the current year was \$1,766,450.

The annual debt service requirements on the bonds were as follows:

Year ending June 30:	Principal	Interest	Total
2020	\$1,335,000	\$432,941	\$1,767,941
2021	1,390,000	377,155	1,767,155
2022	1,450,000	318,884	1,768,884
2023	1,510,000	258,337	1,768,337
2024	1,570,000	195,098	1,765,098
2025-2028	3,535,000	198,196	3,733,196
<b>Total</b>	<b>\$10,790,000</b>	<b>\$1,780,611</b>	<b>\$12,570,611</b>

**CITY OF BRISBANE**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

<b>NOTE 14 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued)</b>
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**C.    *Commitments and Contingencies***

***State Approval of Enforceable Obligations***

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. The Successor Agency submitted its last and final ROPS which was approved by the State Department of Finance in May 2018.

<b>NOTE 15 - CONCENTRATION RISK</b>
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In November 2011, the City placed a special business license tax on the ballot for recycling firms handling more than 100,000 tons of material. For the year ended June 30, 2019, more than 14.6% of the City's General Fund's total revenues were derived from a single company.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF BRISBANE  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes and special assessments	\$11,564,000	\$12,464,000	\$13,730,931	\$1,266,931
Intergovernmental	17,000	17,000	573,655	556,655
Licenses, permits and fees	4,153,800	4,278,800	6,343,475	2,064,675
Charges for services	2,230,401	2,230,401	3,661,580	1,431,179
Fines and forfeitures	52,000	52,000	66,371	14,371
Use of money and property	120,000	120,000	323,497	203,497
Other revenues	435,057	471,057	348,966	(122,091)
Total Revenues	18,572,258	19,633,258	25,048,475	5,415,217
EXPENDITURES:				
Current:				
General government	5,667,426	6,467,426	5,822,755	644,671
Public safety - police	5,046,457	5,046,457	4,917,210	129,247
Public safety - fire	3,407,190	3,407,190	3,356,781	50,409
Public works	2,687,004	2,687,004	2,489,959	197,045
Parks and recreation	2,856,247	2,856,247	2,199,856	656,391
Capital outlay			7,499	(7,499)
Debt service:				
Principal			13,213	(13,213)
Interest and fiscal charges			991	(991)
Total Expenditures	19,664,324	20,464,324	18,808,264	1,656,060
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,092,066)	(831,066)	6,240,211	7,071,277
OTHER FINANCING SOURCES (USES)				
Transfers in			150,894	150,894
Transfers (out)		(500,000)	(6,725,307)	(6,225,307)
Total other financing sources (uses)		(500,000)	(6,574,413)	(6,074,413)
NET CHANGE IN FUND BALANCE	(\$1,092,066)	(\$1,331,066)	(334,202)	\$996,864
BEGINNING FUND BALANCE			11,452,946	
ENDING FUND BALANCE			\$11,118,744	

CITY OF BRISBANE  
LOW AND MODERATE INCOME HOUSING ASSET  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Final</u>	<u>Actual</u>	
REVENUES:			
Use of money and property		\$279,143	\$279,143
Total Revenues		279,143	279,143
EXPENDITURES:			
Current:			
Public works	\$6,500	14,187	(7,687)
Total Expenditures	6,500	14,187	(7,687)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,500)	264,956	271,456
NET CHANGE IN FUND BALANCE	<u>(\$6,500)</u>	264,956	<u>\$271,456</u>
BEGINNING FUND BALANCE		<u>2,183,486</u>	
ENDING FUND BALANCE		<u><u>\$2,448,442</u></u>	

**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

**CalPERS Miscellaneous Cost-Sharing Defined Benefit Pension Plan**

As of fiscal year ending June 30, 2019

Last 10 Years\*

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS**

<b>Measurement Date</b>	<b>Miscellaneous Plan</b>				
	<b>6/30/2014</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2017</b>	<b>6/30/2018</b>
Plan's Proportion of the Net Pension Liability/Asset	0.08842%	0.26367%	0.26663%	0.27216%	0.27979%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$5,501,793	\$7,233,676	\$8,890,553	\$10,728,646	\$10,544,479
Plan's Covered Payroll	\$3,483,585	\$3,911,732	\$4,105,895	\$4,485,437	\$4,822,422
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	157.93%	184.92%	216.53%	239.19%	218.66%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	83.03%	21.65%	25.24%	27.18%	25.57%

\* Fiscal year 2015 was the 1st year of implementation, additional years will be presented as they become available.



**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

**Cost-Sharing Defined Benefit Pension Plan**  
As of fiscal year ending June 30, 2018  
Last 10 Years\*  
**SCHEDULE OF CONTRIBUTIONS**

	Miscellaneous Plan				
	2015	2016	2017	2018	2019
Actuarially determined contribution	\$608,408	\$414,697	\$867,272	\$956,571	\$1,116,863
Contributions in relation to the actuarially determined contributions	(608,408)	(414,697)	(867,272)	(956,571)	(1,116,863)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$3,911,732	\$4,105,895	\$4,485,437	\$4,822,422	\$5,116,913
Contributions as a percentage of covered payroll	15.55%	10.10%	19.34%	19.84%	21.83%
<b>Notes to Schedule</b>					
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2017
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age				
Amortization method	Level percentage of payroll, closed				
Remaining amortization period	15 years as of the valuation date				
Asset valuation method	5-year smoothed market				
Inflation	2.75%				
Salary increases	3.30% to 14.20% depending on Age, Service and type of employment				
	7.5%, net of pension plan investment and administrative expenses, including inflation	7.65%, net of pension plan investment and administrative expenses, including inflation		7.15%, net of pension plan investment and administrative expenses, including inflation	
Investment rate of return					
Retirement age	55 yrs. Misc., 60 years Tier 2, 62 yrs. Tier 3				
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific				

\* Fiscal year 2015 was the 1st year of implementation, additional years will be presented as they become available.

**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

**CalPERS Safety Cost-Sharing Defined Benefit Pension Plan**

As of fiscal year ending June 30, 2019

Last 10 Years\*

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS**

<b>Measurement Date</b>	<b>Safety Plan</b>				
	<b>6/30/2014</b>	<b>6/30/2015</b>	<b>6/30/2016</b>	<b>6/30/2017</b>	<b>6/30/2018</b>
Plan's Proportion of the Net Pension Liability/Asset	0.10478%	0.16040%	0.17166%	0.17235%	0.17788%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$6,519,984	\$6,609,094	\$9,262,442	\$10,298,325	\$10,437,355
Plan's Covered Payroll	\$2,604,534	\$2,895,118	\$2,549,311	\$3,201,004	\$3,050,669
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	250.33%	228.28%	363.33%	321.72%	342.13%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	81.42%	18.66%	25.33%	25.59%	24.51%

\* Fiscal year 2015 was the 1st year of implementation, additional years will be presented as they become available.

**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

**Cost-Sharing Defined Benefit Pension Plan**

As of fiscal year ending June 30, 2018

Last 10 Years\*

**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year ending June 30:	Safety Plan				
	2015	2016	2017	2018	2019
Actuarially determined contribution	\$544,677	\$446,822	\$824,601	\$928,535	\$928,535
Contributions in relation to the actuarially determined contributions	(544,677)	(446,822)	(824,601)	(928,535)	(928,535)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$2,895,118	\$2,549,311	\$3,201,004	\$3,050,669	\$3,205,518
Contributions as a percentage of covered payroll	18.81%	17.53%	25.76%	30.44%	28.97%
<b>Notes to Schedule</b>					
Valuation date:	6/30/2012	6/30/2013	6/30/2014	6/30/2015	6/30/2017
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age				
Amortization method	Level percentage of payroll, closed				
Remaining amortization period	15 years as of the valuation date				
Asset valuation method	5-year smoothed market				
Inflation	2.75%				
Salary increases	3.30% to 14.20% depending on Age, Service and type of employment				
	7.5%, net of pension plan investment and				
	administrative expenses,				
Investment rate of return	including inflation	7.65%, net of pension plan investment and administrative expenses, including inflation		7.15%, net of pension plan investment and administrative expenses, including inflation	
Retirement age	55 yrs. Safety, 57 yrs. Tier 2				
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2017 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.				

\* Fiscal year 2015 was the 1st year of implementation, additional years will be presented as they become available.

**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

PARS Miscellaneous Plan, A Single-Employer Defined Benefit Plan  
Last 10 Years\*

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS**

<b>Measurement Date, June 30:</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Plan total pension liability</b>					
Service Cost	\$15,613	\$16,949	\$17,288	\$17,847	\$18,204
Interest	27,586	32,611	36,104	35,112	39,287
Effect of plan changes	-	-	-	-	-
Effect of liability gains or losses	-	4,039	-	10,905	-
Effect of assumption changes or inputs	-	23,212	(29,530)	-	-
Benefit payments	-	-	-	-	-
<b>Net change in total pension liability</b>	<b>43,199</b>	<b>76,811</b>	<b>23,862</b>	<b>63,864</b>	<b>57,491</b>
<b>Total pension liability - beginning</b>	<b>378,473</b>	<b>421,672</b>	<b>498,483</b>	<b>522,345</b>	<b>586,209</b>
<b>Total pension liability - ending (a)</b>	<b>\$421,672</b>	<b>\$498,483</b>	<b>\$522,345</b>	<b>\$586,209</b>	<b>\$643,700</b>
<b>Plan fiduciary net position</b>					
Administrative expenses	(\$1,799)	(\$1,878)	(\$2,104)	(\$2,408)	(\$2,617)
Member contributions	-	-	-	-	-
Net investment income	8,348	166	40,594	27,708	33,121
Employer contributions	20,560	21,117	21,158	21,158	35,337
<b>Net change in plan fiduciary net position</b>	<b>27,109</b>	<b>19,405</b>	<b>59,648</b>	<b>46,458</b>	<b>65,841</b>
<b>Plan fiduciary net position - beginning</b>	<b>342,254</b>	<b>369,363</b>	<b>388,768</b>	<b>448,416</b>	<b>494,874</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$369,363</b>	<b>\$388,768</b>	<b>\$448,416</b>	<b>\$494,874</b>	<b>\$560,715</b>
<b>Plan net pension liability - ending (a)-(b)</b>	<b>\$52,309</b>	<b>\$109,715</b>	<b>\$73,929</b>	<b>\$91,335</b>	<b>\$82,985</b>
Plan fiduciary net position as a percentage of the total pension liability	87.59%	77.99%	85.85%	84.42%	87.11%
Covered payroll	\$215,862	\$225,028	\$229,529	\$237,847	\$247,000
Net pension liability as percentage of covered-employee payroll	24.23%	48.76%	32.21%	38.40%	33.60%

**Changes in assumptions.** In 2017, the accounting discount rate reduced from 7.0 percent to 6.5 percent.

\* Fiscal year 2015 was the 1st year of implementation of GASB 68, additional years will be presented as they become available.

**Source:** PARS Valuation

**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

PARS Miscellaneous Plan, A Single-Employer Defined Benefit Plan  
Last 10 Years\*  
**SCHEDULE OF CONTRIBUTIONS**

Fiscal Year ended June 30:	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Actuarially determined contributions	\$20,560	\$21,117	\$21,158	\$21,158	\$35,337
Contributions in relation to the actuarially determined contributions	<u>(20,560)</u>	<u>(21,117)</u>	<u>(21,158)</u>	<u>(21,158)</u>	<u>(35,337)</u>
Contribution deficiency (excess)					
Covered payroll	\$215,862	\$225,028	\$229,529	\$237,847	\$247,000
Contributions as a percentage of covered payroll	9.52%	9.38%	9.22%	8.90%	14.31%
<b>Notes to Schedule</b>					
Valuation date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2017
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry Age Normal				
Amortization method	Level dollar				
Asset valuation method	Market Value				
Inflation	2.75%				
Salary increases	2.00%				
Investment rate of return	6.5%, net of pension plan investment expense, including inflation (7.0%				
Retirement age	100 % retirement assumed at age 65				
	Pre-Retirement: Consistent with the Non-Industrial rates used to value the				
	Miscellaneous Public Agency CalPERS Pension Plans.				
	Post-Retirement: CalPERS 1997 - 2011 Healthy Retiree Tables (sex-				
	distinct) with an assumed base year of 2008 and full generational				
Mortality	projections using Scale AA.				

\* Fiscal year 2015 was the 1st year of implementation of GASB 68, additional years will be presented as they become available.

**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

**OPEB Trust Fund**  
**Schedule of Changes in the City's**  
**Net OPEB Liability and Related Ratios**  
Last Ten Fiscal Years\*

For the Measurement Period Ended June 30	<b>2017</b>	<b>2018</b>
<b>Total OPEB Liability</b>		
Service Cost	\$220,254	\$213,187
Interest	548,482	443,442
Changes of benefit terms	269,186	-
Differences between expected and actual experience	(905,016)	-
Changes of assumptions	(1,676,108)	16,310
Benefit Payments	(246,909)	(219,950)
Implicit rate subsidy fulfilled	(162,600)	(104,418)
Net change in Total OPEB Liability	(1,952,711)	348,571
Total OPEB Liability at beginning of year	8,980,463	7,027,752
<b>Total OPEB Liability at end of year</b>	<b>\$7,027,752</b>	<b>\$7,376,323</b>
<b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$346,909	\$619,950
Implicitity subsidy - employer	162,600	104,418
Contributions - member	-	-
Net investment income	74,661	79,874
Benefit payments	(246,909)	(219,950)
Implicit rate subsidy fulfilled	(162,600)	(104,418)
Administrative expenses	(1,353)	(3,123)
Net change in Plan Fiduciary Net Position	173,308	476,751
Plan Fiduciary Net Position at beginning of year	1,022,421	1,195,729
<b>Plan Fiduciary Net Position at end of year</b>	<b>\$1,195,729</b>	<b>\$1,672,480</b>
<b>Authority's Net OPEB Liability (Asset) at end of year</b>	<b>\$5,832,023</b>	<b>\$5,703,843</b>
 <b>Plan's Fiduciary Net Position as percentage of Total OPEB Liability</b>	 17.0%	 22.7%
 <b>Covered Payroll</b>	 \$6,789,392	 \$6,976,100
 <b>Net OPEB Liability as percentage of covered-employee payroll</b>	 85.90%	 81.76%

**Notes:**

\* Fiscal year 2018 was the first year of implementation, additional years will be shown when available.

**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

**OPEB Trust Fund**  
**Schedule of Employer Contributions**  
Last Ten Fiscal Years\*

For the Fiscal Year Ended June 30	<b>2017</b>	<b>2018</b>
Actuarially determined contributions	\$798,682	\$621,742
Contributions in relation to the actuarially determined contribution	509,509	724,368
Contributions deficiency (excess)	<u>\$289,173</u>	<u>(\$102,626)</u>
Covered Payroll	\$6,789,392	\$6,976,100
Contributions as a percentage of covered payroll	7.50%	10.38%

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

Valuation date	6/30/2017
Actuarial cost method	Entry Age normal, level percent of pay
Amortization method	Closed period, level percent of pay
Remaining amortization period	20 years
Asset valuation method	Market value as of fiscal year-end 2017
Inflation	2.50%
Projected salary increases	2.875%
Healthcare trend rate	6.50%, trending down to 3.84%
PEMHCA trend rate	3.00%
Discount rate, net of investment expenses	6.25%
Retirement rate	CalPERS Rates
Mortality rate	CalPERS Rates
Expected return on plan assets	5.73%

\* Fiscal year 2018 was the first year of implementation, additional years will be shown when available.

**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

**OPEB Trust Fund**  
**Schedule of Investment Returns**  
Last Ten Fiscal Years\*

For the Fiscal Year Ended June 30	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	5.73%	6.97%	6.97%

***Notes:***

\* Fiscal year 2017 was the first year of GASB 74 implementation,  
additional years will be shown when available.



**CITY OF BRISBANE**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**For the Year Ended June 30, 2019**

<b>NOTES TO REQUIRED SUPPLEMENTARY INFORMATION</b>
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The City follows these procedures in establishing the budgetary data reflected in the financial statements

1. A City Council goal setting session is scheduled to determine the major objectives of the City's financial plan for the year. Goals are approved by the Council and incorporated into a detailed preliminary budget, which is issued for public comment. After a series of public hearings, the budget is adopted by the City Council prior to the beginning of the ensuing fiscal year (July 1).
2. The City Manager is authorized to transfer budgetary amounts within a single fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.
3. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the General Fund, certain special revenue funds, and the debt service funds. The Fire Training and Contract Employees Special Revenue Funds are special revenue funds with single focus purpose that when needed are approved by City Council or part of an existing contract and therefore did not have adopted budgets for the fiscal year. The capital projects funds did not have adopted budgets for the fiscal year, but all capital projects are approved by City Council prior to commitment. The legal level of budgetary control is the fund level.
4. Budgets for those governmental funds budgeted are adopted on a basis consistent with GAAP.
5. 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 fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2019, based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.
6. Budgeted revenue amounts represent the original budget modified by adjustments authorized during the year. Budgeted expenditure amounts represent original appropriations adjusted for supplemental appropriations during the year which were contingent upon new or additional revenue sources and reappropriated amounts for prior year encumbrances. These necessary supplemental appropriations were immaterial in relation to the budget as originally adopted. The Administrative Services Director must approve adjustments to departmental budgets; however, management may amend the budgeted amounts within departmental expenditure classifications.
7. Appropriations lapse at the end of the fiscal year to the extent they have not been expended or encumbered are re-budgeted for the coming year.

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## **SUPPLEMENTARY INFORMATION**

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<b>NON-MAJOR GOVERNMENTAL FUNDS</b>
-------------------------------------

**SPECIAL REVENUE FUNDS**

**Gas Tax Fund.** Portions of the tax rate per gallon levied by the State of California on all gasoline purchases are allocated to cities throughout the State on a population basis. These funds are restricted for expenditures by the State of California for street-related purposes only (reference California Streets and Highways Code Sections 2105, 2106, 2107 and 2107.5).

**Measure A Fund.** The County of San Mateo voters approved a half cent sales tax measure in 1988 which is designated for transportation related facilities and roads. The sales tax revenues received pursuant to Measure A are distributed to cities based on population (50%) and road miles (50%).

**Sierra Point Landscape and Lighting Fund.** To account for special assessment revenues and costs of providing landscaping and lighting services within the boundaries of the Sierra Point Landscape and Lighting District.

**Grants.** To account for activities of various grants including Local Law Enforcement Block Grant, Community Oriented Policing Grant, the COPS Technology Grant, and Supplemental Law Enforcement Services Fund (SLESF) Grant.

**National Pollution Discharge Elimination System Fund (NPDES).** Federal statute mandates a program aimed at the elimination of pollutants from drainage systems. Commonly known as NPDES, a special revenue fund is required by law to account for tax assessments collected and expenditures incurred in administering this program.

Traffic Congestion Relief Fund.

**Fire Training Fund.** This fund was created from the return and refund of one of the Universal Trainers for the Fire Department. This fund will accumulate funds dedicated to Fire Training and equipment.

**Contract Employees.** This fund was created to track the salary and benefits of city employees who have been contracted to other agencies and the reimbursements from the hiring agency.

**Public Arts.** This fund was established to receive deposits from developers as part of the “Art in Public Places Program.” Commercial projects with development costs in excess of \$1,000,000 are required to contribute 1% of the cost to the Brisbane Public Art Fund. Public Projects with development costs in excess of \$1,000,000 are required to contribute 0.5% of the cost to the Brisbane Public Art Fund. Projects in excess of \$5,000,000 can choose to pay into the Brisbane Public Art Fund or pay for public art directly.

**Tree Plant.** This fund receives deposits from PG&E to replace the cost of any trees that must be removed for electrical repairs or maintenance. The City will use these funds to plant trees elsewhere within city limits.

<b>NON-MAJOR GOVERNMENTAL FUNDS</b>
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**DEBT SERVICE FUNDS****Brisbane Public Financing Authority:**

**2001 Revenue Bonds, Series B Fund.** This fund accounts for the debt service for the 2001 Revenue Bonds, Series B which were issued to acquire the City's Marina Boulevard and Lagoon Road Local Improvement District 79-1 and to refund certain outstanding revenue bonds issued by the Authority.

**2005 Revenue Bonds, Series A Fund.** This fund accounts for the City's portion of debt service for the 2005 Revenues Bonds, Series A which were issued to refund the 1995 Certificates of Participation Bonds and to finance certain capital projects for the City. Debt service for a portion of these bonds is met from transfers from the Community Redevelopment Agency Project Area 2 and the Utility Fund where portions of the 1995 COP bonds proceeds were expended to finance capital improvements.

**2009 Revenue Lease Bonds, Series A.** This fund accounts for the debt service for the 2009 Revenue Bonds, Series A which were issued in March 2009 to finance the completion of the City Hall upgrades and improvements. The debt service will be met by lease payments from the City to the Authority.

**2013 Pension Side Fund Bonds Debt Service Fund.** This fund accounts for the debt service of the 2013 Pension Side Fund Bonds issued June 2013. These bonds were issued to pay the unfunded liability to CalPERS for the City's Miscellaneous Pension side fund.

**2005 Revenue Bonds, Series B Fund.** This fund accounts for the debt service for the 2005 Revenue Bonds, Series B, which were issued to finance City Hall seismic upgrades and other improvements. This fund accounts for the debt service that will be met by lease payments of the City to the Authority.

**Brisbane – Guadalupe Valley Municipal Improvement Financing Authority:**

**Brisbane-Guadalupe Valley Municipal Improvement District Public Financing Authority Debt Service Fund.** This fund accounts for the debt service for the refunding of the 2005 BPFA Revenue Bonds, Series B. Those bonds were issued to finance City Hall seismic upgrades and other improvements. The debt service will be met with lease payments from the City to the Authority.

**2017 Brisbane-Guadalupe Valley Municipal Improvement District Lease Refunding Debt Service Fund.** This fund accounts for the debt service for the refunding of the 2009 BPFA Revenue Bonds, Series A. Those bonds were issued to finance City Hall seismic upgrades and other improvements. The debt service will be met with lease payments from the City to the Authority.

**2018 Library Construction Loan Debt Service Fund.** This fund accounts for the debt service for the 2018 Library Construction Loan from the County of San Mateo. The Project currently includes construction and construction management of the new library. The debt service will be met with property tax allocations.

<b>NON-MAJOR GOVERNMENTAL FUNDS (Continued)</b>
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**CAPITAL PROJECTS FUNDS**

**Special Beautification Project Fund.** This fund was established in the mid-1980s as a condition of a lawsuit settlement. The funds are for improvements to City public spaces such as relocating the Community Garden.

**Facilities Construction Fund.** As a condition of the final map approval for the Northeast Ridge development, the developer was required to improve a number of facilities including municipal buildings, local streets, downtown parking, future trails, fire buffers and construct a community swimming pool. Funds deposited for these projects have been placed in a capital projects fund and as separate projects move ahead with construction, applicable amounts of this fund are moved to a construction fund to further account for the cost of a particular project.

**South Hill Capital Projects Fund.** This fund was established in fiscal 2015 due to the sale of a portion of the former Southern Pacific rail spur to Sheng Kee Bakery. The funds are directed to be used for capital project.

**Park Development Capital Projects Fund.** As a condition of the Development Agreement between Opus and the City approved February 2, 2017 the City received back Parcel R on Sierra Point. Additionally, Opus provided funds which were designated for public improvements on this parcel. This fund is used to track those funds.

CITY OF BRISBANE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019

SPECIAL REVENUE FUNDS				
	Gas Tax	Measure A	Sierra Point Landscape & Lighting	Grants
ASSETS				
Cash and investments	\$161,331	\$552,134	\$645,808	\$45,378
Restricted cash and investments with fiscal agents				
Accounts receivable, net	866	2,679	2,955	208
Interest receivable				
Taxes receivable	8,065	17,922		
Total Assets	<u>\$170,262</u>	<u>\$572,735</u>	<u>\$648,763</u>	<u>\$45,586</u>
LIABILITIES				
Accounts payable			\$70,768	
Accrued payroll			1,235	
Due to other funds				\$698
Deposits payable				895
Unearned Revenue				
Total Liabilities			<u>72,003</u>	<u>1,593</u>
FUND BALANCE				
Restricted	\$170,262	\$572,735	576,760	43,993
Assigned				
Unassigned				
Total Fund Balances	<u>170,262</u>	<u>572,735</u>	<u>576,760</u>	<u>43,993</u>
Total Liabilities and Fund Balances	<u>\$170,262</u>	<u>\$572,735</u>	<u>\$648,763</u>	<u>\$45,586</u>



SPECIAL REVENUE FUNDS

NPDES	Traffic Congestion Relief	Fire Training	Contract Employees	Public Arts	Tree Plant	Habitat Conservation Program
\$295,126	\$5,423	\$3,325	\$169,945	\$803,814	\$5,630	\$32,154
1,354	\$49	15	18,375 779	3,682	26	147
<u>\$296,480</u>	<u>\$5,472</u>	<u>\$3,340</u>	<u>\$189,099</u>	<u>\$807,496</u>	<u>\$5,656</u>	<u>\$32,301</u>
\$13,684 4,934			\$3,439			\$31,980
<u>18,618</u>			<u>3,439</u>			<u>31,980</u>
180,481 97,381	\$5,472	\$3,340	185,660	\$807,496	\$5,656	\$321
<u>277,862</u>	<u>5,472</u>	<u>3,340</u>	<u>185,660</u>	<u>807,496</u>	<u>5,656</u>	<u>321</u>
<u>\$296,480</u>	<u>\$5,472</u>	<u>\$3,340</u>	<u>\$189,099</u>	<u>\$807,496</u>	<u>\$5,656</u>	<u>\$32,301</u>

(Continued)

CITY OF BRISBANE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019

	DEBT SERVICE FUNDS			
	2006 Pension Obligation Bonds	2001 Revenue Bonds, Series B	2005 Revenue Bonds, Series A	2009 Revenue Lease Bonds, Series A
<b>ASSETS</b>				
Cash and investments		\$21	\$157,705	
Restricted cash and investments with fiscal agents	\$41			\$190,335
Accounts receivable, net				
Interest receivable				
Taxes receivable				
Total Assets	<u>\$41</u>	<u>\$21</u>	<u>\$157,705</u>	<u>\$190,335</u>
<b>LIABILITIES</b>				
Accounts payable			\$4,130	\$2,501
Accrued payroll				
Due to other funds	\$7,543			190,896
Deposits payable				
Unearned Revenue				
Total Liabilities	<u>7,543</u>	<u></u>	<u>4,130</u>	<u>193,397</u>
<b>FUND BALANCE</b>				
Restricted		\$21	\$153,575	
Assigned				
Unassigned	<u>(7,502)</u>	<u></u>	<u></u>	<u>(3,062)</u>
Total Fund Balances	<u>(7,502)</u>	<u>21</u>	<u>153,575</u>	<u>(3,062)</u>
Total Liabilities and Fund Balances	<u>\$41</u>	<u>\$21</u>	<u>\$157,705</u>	<u>\$190,335</u>

DEBT SERVICE FUNDS				CAPITAL PROJECT FUNDS		
2013 Pension Side Fund Bonds	Brisbane- Guadalupe Valley Municipal Improvement District Public Financing Authority	2017 Brisbane- Guadalupe Valley Municipal Improvement District Lease Refunding	2018 Library Construction Loan	Special Beautification Project	Facilities Construction	South Hill
	\$45		\$1,700,000		\$3,542,098	\$258,099
					16,226	1,411
	\$45		\$1,700,000		\$3,558,324	\$259,510
			\$129,260			
\$1,010	\$4,105			\$2,605	\$11,018	
1,010	4,105		129,260	2,605	11,018	
			1,570,740		3,547,306	\$259,510
(1,010)	(4,060)			(2,605)		
(1,010)	(4,060)		1,570,740	(2,605)	3,547,306	259,510
	\$45		\$1,700,000		\$3,558,324	\$259,510

(Continued)

CITY OF BRISBANE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2019

CAPITAL  
PROJECTS  
FUND

	Park Development	Total Nonmajor Governmental Funds
ASSETS		
Cash and investments	\$309,090	\$8,687,081
Restricted cash and investments with fiscal agents		190,421
Accounts receivable, net		44,089
Interest receivable	1,416	6,099
Taxes receivable		25,987
	<u>\$310,506</u>	<u>\$8,953,677</u>
LIABILITIES		
Accounts payable		\$220,343
Accrued payroll		9,608
Due to other funds		206,857
Deposits payable		43,893
Unearned Revenue	\$300,000	300,000
	<u>300,000</u>	<u>780,701</u>
FUND BALANCE		
Restricted		4,276,512
Assigned	10,506	3,914,703
Unassigned		(18,239)
	<u>10,506</u>	<u>8,172,976</u>
Total Fund Balances	<u>10,506</u>	<u>8,172,976</u>
Total Liabilities and Fund Balances	<u>\$310,506</u>	<u>\$8,953,677</u>

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CITY OF BRISBANE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS			
	Gas Tax	Measure A	Sierra Point Landscape & Lighting	Grants
GOVERNMENTAL REVENUES				
Taxes and special assessments		\$232,343	\$586,946	
Intergovernmental	\$186,843			\$158,747
Licenses, permits and fees				
Use of money and property	4,048	14,043	15,409	3,860
Other revenues				
Total Revenues	190,891	246,386	602,355	162,607
EXPENDITURES				
Current:				
General government				
Public works			444,484	
Capital outlay				6,837
Debt service:				
Principal			8,144	
Interest and fiscal charges				
Total Expenditures			452,628	6,837
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	190,891	246,386	149,727	155,770
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt				
Payment to refunded debt escrow agent				
Transfers in				
Transfers out	(27,669)	(32,731)	(7,194)	(150,894)
Total Other Financing Sources (Uses)	(27,669)	(32,731)	(7,194)	(150,894)
NET CHANGES IN FUND BALANCES	163,222	213,655	142,533	4,876
BEGINNING FUND BALANCES (DEFICITS)	7,040	359,080	434,227	39,117
ENDING FUND BALANCES (DEFICITS)	\$170,262	\$572,735	\$576,760	\$43,993

SPECIAL REVENUE FUNDS

NPDES	Traffic Congestion Relief	Fire Training	Contract Employees	Public Arts	Tree Plant	Habitat Conservation Program
\$50,485	\$5,291					
2,968						
16,379	\$181	\$98	\$4,677	\$14,648	\$160	\$321
			220,500	394,593		
69,832	5,472	98	225,177	409,241	160	321
478,129			210,130			
478,129			210,130			
(408,297)	5,472	98	15,047	409,241	160	321
(15,791)	(5,368)		(2,463)			
(15,791)	(5,368)		(2,463)			
(424,088)	104	98	12,584	409,241	160	321
701,950	5,368	3,242	173,076	398,255	5,496	
\$277,862	\$5,472	\$3,340	\$185,660	\$807,496	\$5,656	\$321

(Continued)

CITY OF BRISBANE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	DEBT SERVICE FUNDS			
	2006 Pension Obligation Bonds	2001 Revenue Bonds, Series B	2005 Revenue Bonds, Series A	2009 Revenue Lease Bonds, Series A
GOVERNMENTAL REVENUES				
Taxes and special assessments				
Intergovernmental				
Licenses, permits and fees				
Use of money and property	\$42			
Other revenues				
	<u>42</u>			
EXPENDITURES				
Current:				
General government				
Public works				
Capital outlay				
Debt service:				
Principal	125,000			
Interest and fiscal charges	26,974		1,915	2,500
	<u>151,974</u>		<u>1,915</u>	<u>2,500</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(151,932)</u>		<u>(1,915)</u>	<u>(2,500)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of long-term debt				
Payment to refunded debt escrow agent				
Transfers in	151,974			2,500
Transfers out				
	<u>151,974</u>			<u>2,500</u>
NET CHANGES IN FUND BALANCES	<u>42</u>		<u>(1,915)</u>	
BEGINNING FUND BALANCES (DEFICITS)	<u>(7,544)</u>	<u>\$21</u>	<u>155,490</u>	<u>(3,062)</u>
ENDING FUND BALANCES (DEFICITS)	<u><u>(\$7,502)</u></u>	<u><u>\$21</u></u>	<u><u>\$153,575</u></u>	<u><u>(\$3,062)</u></u>



DEBT SERVICE FUNDS				CAPITAL PROJECT FUNDS		
2013 Pension Side Fund Bonds	Brisbane- Guadalupe Valley Municipal Improvement District Public Financing Authority	2017 Brisbane- Guadalupe Valley Municipal Improvement District Lease Refunding	2018 Library Construction Loan	Special Beautification Project	Facilities Construction	South Hill
	\$53	\$76,250			\$108,426	\$9,431
	53	76,250			108,426	9,431
\$165,000	215,000	\$123,000				
50,586	167,983	33,114	129,260			
215,586	382,983	156,114	129,260			
(215,586)	(382,930)	(79,864)	(129,260)		108,426	9,431
215,586	383,980	156,114				(50,000)
215,586	383,980	156,114				(50,000)
	1,050	76,250	(129,260)		108,426	(40,569)
(1,010)	(5,110)	(76,250)	1,700,000	(\$2,605)	3,438,880	300,079
(\$1,010)	(\$4,060)		\$1,570,740	(\$2,605)	\$3,547,306	\$259,510

(Continued)

CITY OF BRISBANE  
NON-MAJOR GOVERNMENTAL FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2019

	<u>CAPITAL PROJECT FUND</u>	
	<u>Park Development</u>	<u>Total Nonmajor Governmental Funds</u>
GOVERNMENTAL REVENUES		
Taxes and special assessments		\$875,065
Intergovernmental		345,590
Licenses, permits and fees		2,968
Use of money and property	\$9,462	277,488
Other revenues		615,093
Total Revenues	9,462	2,116,204
EXPENDITURES		
Current:		
General government		
Public works		1,132,743
Capital outlay		6,837
Debt service:		
Principal		636,144
Interest and fiscal charges		412,332
Total Expenditures		2,188,056
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,462	(71,852)
OTHER FINANCING SOURCES (USES)		
Issuance of long-term debt		
Payment to refunded debt escrow agent		
Transfers in		910,154
Transfers out		(292,110)
Total Other Financing Sources (Uses)		618,044
NET CHANGES IN FUND BALANCES	9,462	546,192
BEGINNING FUND BALANCES (DEFICITS)	1,044	7,626,784
ENDING FUND BALANCES (DEFICITS)	\$10,506	\$8,172,976

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CITY OF BRISBANE  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS					
	GAS TAX			MEASURE A		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
GOVERNMENTAL REVENUES						
Taxes and special assessments				\$170,000	\$232,343	\$62,343
Intergovernmental	\$98,700	\$186,843	\$88,143			
Licenses, permits and fees						
Charges for services						
Use of money and property		4,048	4,048		14,043	14,043
Other revenues						
Total Revenues	98,700	190,891	92,191	170,000	246,386	76,386
EXPENDITURES						
Current:						
General government						
Public works						
Capital outlay						
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures						
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	98,700	190,891	92,191	170,000	246,386	76,386
OTHER FINANCING SOURCES (USES)						
Payment to refunded debt escrow agent						
Transfers in						
Transfers out		(27,669)	(27,669)		(32,731)	(32,731)
Total Other Financing Sources (Uses)		(27,669)	(27,669)		(32,731)	(32,731)
NET CHANGES IN FUND BALANCES	\$98,700	163,222	\$64,522	\$170,000	213,655	\$43,655
BEGINNING FUND BALANCES (DEFICITS)		7,040			359,080	
ENDING FUND BALANCES (DEFICITS)		\$170,262			\$572,735	

SPECIAL REVENUE FUNDS

SIERRA POINT LANDSCAPING & LIGHTING			GRANTS			NPDES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$590,000	\$586,946	(\$3,054)				\$52,000	\$50,485	(\$1,515)
			\$100,000	\$158,747	\$58,747	22,000	2,968	(22,000)
	15,409	15,409		3,860	3,860		16,379	16,379
<u>590,000</u>	<u>602,355</u>	<u>12,355</u>	<u>100,000</u>	<u>162,607</u>	<u>62,607</u>	<u>74,000</u>	<u>69,832</u>	<u>(4,168)</u>
575,214	444,484	130,730		6,837	(6,837)	531,203	478,129	53,074
	8,144	(8,144)						
<u>575,214</u>	<u>452,628</u>	<u>122,586</u>		<u>6,837</u>	<u>(6,837)</u>	<u>531,203</u>	<u>478,129</u>	<u>53,074</u>
<u>14,786</u>	<u>149,727</u>	<u>134,941</u>	<u>100,000</u>	<u>155,770</u>	<u>55,770</u>	<u>(457,203)</u>	<u>(408,297)</u>	<u>48,906</u>
	(7,194)	(7,194)		(150,894)	(150,894)	527,488	(15,791)	(527,488)
	(7,194)	(7,194)		(150,894)	(150,894)	527,488	(15,791)	(543,279)
<u>\$14,786</u>	<u>142,533</u>	<u>\$127,747</u>	<u>\$100,000</u>	<u>4,876</u>	<u>(\$95,124)</u>	<u>\$70,285</u>	<u>(424,088)</u>	<u>(\$494,373)</u>
	<u>434,227</u>			<u>39,117</u>			<u>701,950</u>	
	<u>\$576,760</u>			<u>\$43,993</u>			<u>\$277,862</u>	

(Continued)

CITY OF BRISBANE  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	SPECIAL REVENUE FUNDS				
	Traffic Congestion Relief			PUBLIC ARTS FUND	
	Budget	Actual	Variance Positive (Negative)	Budget	Variance Positive (Negative)
GOVERNMENTAL REVENUES					
Taxes and special assessments					
Intergovernmental		\$5,291	\$5,291		
Licenses, permits and fees					
Charges for services					
Use of money and property		\$181	181	\$14,648	\$14,648
Other revenues				394,593	394,593
Total Revenues		5,472	5,472	409,241	409,241
EXPENDITURES					
Current:					
General government					
Public works					
Capital outlay					
Debt service:					
Principal					
Interest and fiscal charges					
Total Expenditures					
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		5,472	5,472	409,241	409,241
OTHER FINANCING SOURCES (USES)					
Payment to refunded debt escrow agent					
Transfers in					
Transfers out		(5,368)	(5,368)		
Total Other Financing Sources (Uses)		(5,368)	(5,368)		
NET CHANGE IN FUND BALANCES		104	\$104	409,241	\$409,241
BEGINNING FUND BALANCES (DEFICITS)		5,368		398,255	
ENDING FUND BALANCES (DEFICITS)		\$5,472		\$807,496	

DEBT SERVICE FUNDS

2006 PENSION OBLIGATION BONDS			2001 REVENUE BONDS, SERIES B			2005 REVENUE BONDS, SERIES A		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$42	\$42						
	42	42						
\$600,000	125,000	475,000				\$103,354		\$103,354
60,881	26,974	33,907				4,134	\$1,915	2,219
660,881	151,974	508,907				107,488	1,915	105,573
(660,881)	(151,932)	508,949				(107,488)	(1,915)	105,573
150,631	151,974	1,343						
150,631	151,974	1,343						
(\$510,250)	42	\$510,292				(\$107,488)	(1,915)	\$105,573
	(7,544)			\$21			155,490	
	(\$7,502)			\$21			\$153,575	

(Continued)

CITY OF BRISBANE  
BUDGETED NON-MAJOR FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2019

	DEBT SERVICE FUNDS					
	2009 LEASE REVENUE BONDS, SERIES A			2013 PENSION SIDE FUND BONDS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
GOVERNMENTAL REVENUES						
Taxes and special assessments						
Intergovernmental						
Licenses, permits and fees						
Charges for services						
Use of money and property						
Other revenues						
Total Revenues						
EXPENDITURES						
Current:						
General government						
Public works						
Capital outlay						
Debt service:						
Principal	\$100,000		\$100,000	\$80,000	\$165,000	(\$85,000)
Interest and fiscal charges	91,544	2,500	89,044	54,566	50,586	3,980
Total Expenditures	191,544	2,500	189,044	134,566	215,586	(81,020)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(191,544)	(2,500)	189,044	(134,566)	(215,586)	(81,020)
OTHER FINANCING SOURCES (USES)						
Payment to refunded debt escrow agent						
Transfers in	158,306	2,500	(155,806)	215,586	215,586	
Transfers out						
Total Other Financing Sources (Uses)	158,306	2,500	(155,806)	215,586	215,586	
NET CHANGE IN FUND BALANCES	<u>(\$33,238)</u>		<u>\$33,238</u>	<u>\$81,020</u>		<u>(\$81,020)</u>
BEGINNING FUND BALANCES (DEFICITS)		(3,062)			(1,010)	
ENDING FUND BALANCES (DEFICITS)		<u>(\$3,062)</u>			<u>(\$1,010)</u>	



BRISBANE-GUADALUPE VALLEY MUNICIPAL IMPROVEMENT DISTRICT PUBLIC FINANCING AUTHORITY			2018 LIBRARY CONSTRUCTION LOAN		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$53	\$53			
	53	53			
\$210,000	215,000	(5,000)			
173,180	167,983	5,197		\$129,260	(\$129,260)
383,180	382,983	197		129,260	(129,260)
(383,180)	(382,930)	250		(129,260)	(129,260)
383,980	383,980				
383,980	383,980				
\$800	1,050	\$250		(129,260)	(\$129,260)
	(5,110)			1,700,000	
	(\$4,060)			\$1,570,740	

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## INTERNAL SERVICE FUNDS

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

GASB Statement 34 requires that for the Statement of Activities, the net revenues or expenses of each internal service fund be eliminated by netting them against the operations of the other City departments which generated them. The remaining balance sheet items are consolidated with these same funds in the Statement of Net Position.

However, internal service funds are still presented separately in the Fund financial statements, including the funds below.

**Dental Self-Insurance Fund.** The City self-insures its employee dental coverage; revenues are received from charges to operating departments based upon an agreed upon contribution per worker and reimbursements to employees for dental expenses are paid from this fund.

**Fringe Benefits Fund.** To account for the costs of unexpected benefit costs and other negotiated labor agreement provisions.

**Flexible Benefits Fund.** This fund receives revenue from employee cafeteria plans to pay for medical and child care reimbursements as outlined in the 125 plan. At the end of each plan year the remaining funds become the property of the City.

**General Liability Fund.** The City self-insures a portion of each liability loss. Revenues are received from charges to operating departments based on payroll.

**Workers' Compensation Fund.** The City self-insures for a portion of Workers' Compensation. Revenues are received from charges to operating departments based on payroll.

**OPEB Fund.** This fund was established to track retiree stipends and other post-employment benefits, however the OPEB liability is recorded only at the entity-wide level.

**Vehicle Replacement Fund.** This fund was established in April 2015 with the purpose of setting aside the replacement value of City-owned vehicles.

**Facilities Maintenance.** This fund was established to account for the expenditures for the maintenance and repairs of various city-owned facilities. Revenues in FY16 were received as part of a fiscal surplus. Future years will establish budgeted transfers to this fund in anticipation of planned maintenance and repairs.

CITY OF BRISBANE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2019

	Dental Self-Insurance	Fringe Benefits	Flexible Benefits	General Liability
ASSETS				
Current Assets:				
Cash and investments		\$219,028	\$3,471	\$51,013
Restricted cash and investments				
Accounts receivable, net			2,977	
Interest receivable		1,004	15	234
Total Assets		220,032	6,463	51,247
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$8,501	135,568	8,104	\$7,802
Due to other funds	77,766			
Accrued payroll		61,446		
Accrued claims payable				17,726
Total Current Liabilities	86,267	197,014	8,104	25,528
Noncurrent Liabilities:				
Workers' comp deficit assessment payable				
Accrued self-insurance				38,897
Total Liabilities	86,267	197,014	8,104	64,425
NET POSITION				
Unrestricted	(86,267)	23,018	(1,641)	(13,178)
Total Net Position (Deficits)	(\$86,267)	\$23,018	(\$1,641)	(\$13,178)

<u>Workers'</u> <u>Compensation</u>	<u>OPEB</u> <u>Fund</u>	<u>Vehicle</u> <u>Replacement</u> <u>Fund</u>	<u>Facilities</u> <u>Maintenance</u>	<u>Total</u>
\$698,277	\$987,549	\$228,744	\$657,152	\$2,845,234
115,093				115,093
			3,011	5,988
3,198	4,523	1,047		10,021
<u>816,568</u>	<u>992,072</u>	<u>229,791</u>	<u>660,163</u>	<u>2,976,336</u>
23,554		3,860		187,389
		3,679		81,445
				61,446
242,042				259,768
<u>265,596</u>		<u>7,539</u>		<u>590,048</u>
35,648				35,648
575,958				614,855
<u>877,202</u>		<u>7,539</u>		<u>1,240,551</u>
<u>(60,634)</u>	<u>992,072</u>	<u>222,252</u>	<u>660,163</u>	<u>1,735,785</u>
<u>(\$60,634)</u>	<u>\$992,072</u>	<u>\$222,252</u>	<u>\$660,163</u>	<u>\$1,735,785</u>

CITY OF BRISBANE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2019

	Dental Self-Insurance	Fringe Benefits	Flexible Benefits	General Liability
OPERATING REVENUES				
Charges for sales and services	\$92,388			\$360,056
Other revenue				
Total Operating Revenues	92,388			360,056
OPERATING EXPENSES				
Cost of sales and services				
General and administrative	120,665			435,335
Other expenses				
Total Operating Expenses	120,665			435,335
Operating Income (Loss)	(28,277)			(75,279)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	(823)	\$6,680	\$28	(7,210)
Total Nonoperating Revenues (Expenses)	(823)	6,680	28	(7,210)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	(29,100)	6,680	28	(82,489)
Transfers in				500,000
Change in Net Position	(29,100)	6,680	28	417,511
BEGINNING NET POSITION (DEFICIT)	(57,167)	16,338	(1,669)	(430,689)
ENDING NET POSITION (DEFICIT)	(\$86,267)	\$23,018	(\$1,641)	(\$13,178)

Workers' Compensation	OPEB Fund	Vehicle Replacement Fund	Facilities Maintenance	Total
\$604,106				\$1,056,550
23,213	\$930			24,143
627,319	930			1,080,693
	22,841			22,841
277,877			\$157,194	991,071
7,275	291,982	\$807,988		1,107,245
285,152	314,823	807,988	157,194	2,121,157
342,167	(313,893)	(807,988)	(157,194)	(1,040,464)
16,568	22,831	10,404	15,177	63,655
16,568	22,831	10,404	15,177	63,655
358,735	(291,062)	(797,584)	(142,017)	(976,809)
	760,603	259,459	250,000	1,770,062
358,735	469,541	(538,125)	107,983	793,253
(419,369)	522,531	760,377	552,180	942,532
(\$60,634)	\$992,072	\$222,252	\$660,163	\$1,735,785

CITY OF BRISBANE  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2019

	Dental Self-Insurance	Fringe Benefits	Flexible Benefits	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received to/ from customers	\$92,388	(\$13,076)	\$5,168	\$335,268
Cash payments to suppliers	(122,275)			(746,955)
Cash received from other funds				
Cash Flows from Operating Activities	(29,887)	(13,076)	5,168	(411,687)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds receipts	30,710			
Due from other funds			(1,751)	(29,752)
Transfers in				500,000
Cash Flows from Noncapital Financing Activities	30,710		(1,751)	470,248
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest paid	(823)			(7,548)
Interest income		6,440	13	
Cash Flows from Investing Activities	(823)	6,440	13	(7,548)
Net Cash Flows		(6,636)	3,430	51,013
Cash and investments at beginning of period		225,664	41	
Cash and investments at end of period		\$219,028	\$3,471	\$51,013
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	(\$28,277)			(\$75,279)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Accounts receivable				
Accounts payable and accrued liabilities	(1,610)	\$3,845	\$5,168	(24,788)
Accrued payroll		(16,921)		
Accrued claims payable				(311,620)
Cash Flows from Operating Activities	(\$29,887)	(\$13,076)	\$5,168	(\$411,687)



Workers' Compensation	OPEB Fund	Replacement Vehicle Fund	Facilities Maintenance	Total
\$604,106		\$3,860	(\$57,114)	\$970,600
(497,762)	(\$314,823)	(807,988)	(157,194)	(2,646,997)
19,487	930			20,417
125,831	(313,893)	(804,128)	(214,308)	(1,655,980)
		3,679		34,389
	760,603	259,459	250,000	(31,503)
				1,770,062
	760,603	263,138	250,000	1,772,948
				(8,371)
15,332	20,067	11,913	15,177	68,942
15,332	20,067	11,913	15,177	60,571
141,163	466,777	(529,077)	50,869	177,539
672,207	520,772	757,821	606,283	2,782,788
\$813,370	\$987,549	\$228,744	\$657,152	\$2,960,327
\$342,167	(\$313,893)	(\$807,988)	(\$157,194)	(\$1,040,464)
			(1,811)	(1,811)
19,351		3,860	(55,303)	(49,477)
(3,726)				(20,647)
(231,961)				(543,581)
\$125,831	(\$313,893)	(\$804,128)	(\$214,308)	(\$1,655,980)

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<b>FIDUCIARY FUNDS</b>
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**AGENCY FUNDS** included the following funds:

**Developer Deposits**

**Other Agency Funds**

**Northeast Ridge Assessment District 2001 Bonds Fund**

**Peninsula Corridor Electrification**

CITY OF BRISBANE  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<b>Developer Deposits</b>				
Assets				
Cash and investments	\$789,042	\$728,779	\$789,042	\$728,779
Accounts receivable				
Interest receivable		232		232
Total Assets	<u>\$789,042</u>	<u>\$729,011</u>	<u>\$789,042</u>	<u>\$729,011</u>
Liabilities				
Accounts payable				
Deposits	<u>\$789,042</u>	<u>\$729,011</u>	<u>\$789,042</u>	<u>\$729,011</u>
Total Liabilities	<u>\$789,042</u>	<u>\$729,011</u>	<u>\$789,042</u>	<u>\$729,011</u>
<b>Other Agency Funds</b>				
Assets				
Cash and investments	\$10,445		\$171	\$10,274
Interest receivable	6			6
Total Assets	<u>\$10,451</u>	<u></u>	<u>\$171</u>	<u>\$10,280</u>
Liabilities				
Accounts payable	\$367			\$367
Deposits	10,084		\$171	9,913
Total Liabilities	<u>\$10,451</u>	<u></u>	<u>\$171</u>	<u>\$10,280</u>

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
<b>Northeast Ridge Assessment District 2001 Bonds</b>				
<b>Assets</b>				
Cash and investments	\$594,765	\$616,783	\$594,765	\$616,783
Cash and investment with fiscal agent	252,647	257,287	252,647	257,287
Interest receivable	2,022	2,825	2,022	2,825
Taxes receivable	8,530	9,313	8,530	9,313
Total Assets	<u>\$857,964</u>	<u>\$886,208</u>	<u>\$857,964</u>	<u>\$886,208</u>
<b>Liabilities</b>				
Due to bondholders	<u>\$857,964</u>	<u>\$886,208</u>	<u>\$857,964</u>	<u>\$886,208</u>
Total Liabilities	<u>\$857,964</u>	<u>\$886,208</u>	<u>\$857,964</u>	<u>\$886,208</u>
<b>Peninsula Corridor Electrification Project</b>				
<b>Assets</b>				
Cash and investments	\$25,201	\$25,961	\$25,201	\$25,961
Interest receivable	2,022	119	2,022	119
Total Assets	<u>\$27,223</u>	<u>\$26,080</u>	<u>\$27,223</u>	<u>\$26,080</u>
<b>Liabilities</b>				
Due to bondholders	<u>\$27,223</u>	<u>\$26,080</u>	<u>\$27,223</u>	<u>\$26,080</u>
Total Liabilities	<u>\$27,223</u>	<u>\$26,080</u>	<u>\$27,223</u>	<u>\$26,080</u>
<b>TOTAL - ALL AGENCY FUNDS</b>				
<b>Assets</b>				
Cash and investments	\$1,419,453	\$1,371,523	\$1,409,179	\$1,381,797
Cash and investment with fiscal agent	252,647	257,287	252,647	257,287
Interest receivable	4,050	3,176	4,044	3,182
Taxes receivable	8,530	9,313	8,530	9,313
Total Assets	<u>\$1,684,680</u>	<u>\$1,641,299</u>	<u>\$1,674,400</u>	<u>\$1,651,579</u>
<b>Liabilities</b>				
Accounts payable	\$367			\$367
Deposits	799,126	\$729,011	\$789,213	738,924
Due to bondholders	<u>885,187</u>	<u>912,288</u>	<u>885,187</u>	<u>912,288</u>
Total Liabilities	<u>\$1,684,680</u>	<u>\$1,641,299</u>	<u>\$1,674,400</u>	<u>\$1,651,579</u>

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**INDEPENDENT AUDITOR'S REPORT ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the City Council  
City of Brisbane, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Brisbane, California, as of and for the year ended June 30, 2019, and have issued our report thereon dated March 10, 2020. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### ***City's Response to Findings***

The City's response to the findings identified in our audit is described in our separately issued Memorandum on Internal Control dated March 10, 2020, which is an integral part of our audits and should be read in conjunction with this report. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Maze & Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California  
March 10, 2020



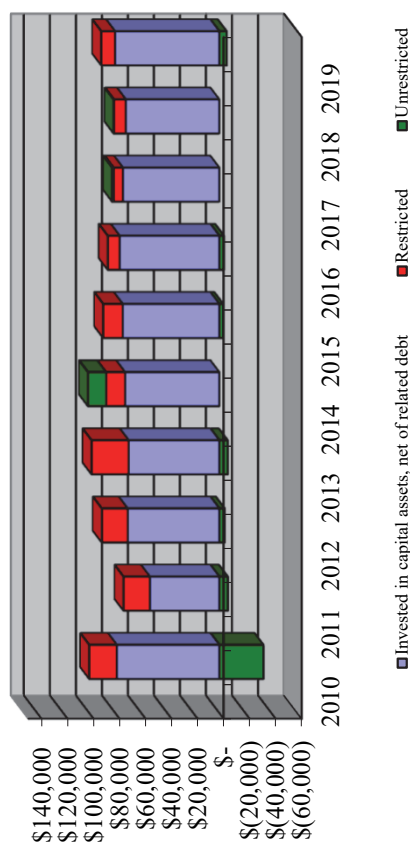
## STATISTICAL INFORMATION

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

Contents	Page
Financial Trends	147-153
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	154-160
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	161-166
<i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt, and the City's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	167-171
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	172-175
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.</i>	

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CITY OF BRISBANE  
Net Position by Component  
Last Ten Fiscal Years  
(accrual basis of accounting)  
(Dollars in thousands)



	Fiscal Year Ended June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Invested in capital assets,										
net of related debt	\$46,213	\$20,781	\$38,064	\$37,751	\$46,027	\$47,358	\$47,876	\$44,304	\$43,424	\$50,918
Restricted	18,943	19,399	19,006	26,255	12,292	12,698	6,934	6,373	8,314	9,841
Unrestricted	(32,380)	(6,786)	(5,156)	(7,609)	10,882	(5,099)	(3,507)	945	(3,630)	(9,112)
Total governmental activities net position	\$32,776	\$33,394	\$51,914	\$56,397	\$69,201	\$54,957	\$51,303	\$51,622	\$48,108	\$51,647
<b>Business-type activities</b>										
Invested in capital assets,										
net of related debt	\$32,500	\$32,503	\$32,305	\$31,832	\$26,368	\$26,815	\$28,599	\$29,708	\$28,342	\$29,149
Restricted	2,252	848	847	2,251	2,251	2,251	2,251	759	759	759
Unrestricted	(1,542)	201	964	1,105	3,037	2,092	(161)	170	3,936	3,423
Total business-type activities net position	\$33,210	\$33,552	\$34,116	\$35,188	\$31,656	\$31,158	\$30,689	\$30,637	\$33,037	\$33,331
<b>Primary government</b>										
Invested in capital assets,										
net of related debt	\$78,713	\$53,284	\$70,369	\$69,583	\$72,395	\$74,173	\$76,475	\$74,012	\$71,766	\$80,066
Restricted	21,194	20,247	19,853	28,506	14,543	14,949	9,185	7,132	9,073	10,600
Unrestricted	(33,922)	(6,585)	(4,192)	(6,504)	13,919	(3,007)	(3,668)	1,115	305	(5,689)
Total primary government net position	\$65,985	\$66,946	\$86,030	\$91,585	\$100,857	\$86,115	\$81,992	\$82,259	\$81,144	\$84,977

**CITY OF BRISBANE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Dollars in thousands)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental Activities:										
General Government	\$4,636	\$4,279	\$5,123	\$5,584	\$4,485	\$4,195	\$5,357	\$5,718	\$7,446	\$6,871
Public Safety - police	3,506	3,185	2,931	3,282	3,314	3,918	4,189	4,758	5,225	5,694
Public Safety - fire	2,532	2,560	2,756	3,004	2,528	2,602	2,782	2,812	3,576	3,661
Public Works	4,928	3,160	1,901	2,832	3,378	3,684	3,542	3,734	3,883	4,094
Parks and Recreation	-	-	-	-	1,802	1,955	2,023	2,338	2,388	2,393
Interest on Long-Term Debt (Unallocated)	2,519	2,431	2,879	2,009	1,245	999	647	433	630	419
Total Governmental Activities Expenses	18,121	15,615	15,590	16,711	16,752	17,353	18,540	19,793	23,148	23,132
Business-Type Activities:										
Utility	4,023	4,053	3,824	4,542	4,344	4,656	5,654	5,442	5,368	6,261
Marina	3,406	3,426	3,342	3,313	1,438 A	1,623 A	1,808 A	1,940	1,662	1,621
Total Business-Type Activities Expenses	7,429	7,479	7,166	7,855	5,782	6,279	7,462	7,382	7,030	7,882
Total Primary Government Expenses	\$25,550	\$23,094	\$22,756	\$24,566	\$22,534	\$23,632	\$26,002	\$27,175	\$30,178	\$31,014
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services:										
General Government	\$1,189	\$2,343	\$2,122	\$1,665	\$3,803	\$4,635	\$5,226	\$5,319	\$6,517	\$6,959
Public Safety - police	396	127	107	124	151	54	60	52	58	127
Public Safety - fire	204	137	113	119	128	179	275	315	714	499
Public Works	3,820	2,478	2,928	2,088	3,252	3,115	1,120	1,408	1,179	1,382
Parks and Recreation	-	-	-	-	506	526	571	597	588	667
Operating Grants and Contributions	219	598	132	91	88	117	158	209	342	624
Capital Grants and Contributions	-	39	490	3,083	1,396	930	352	152	238	88
Total Government Activities Program Revenues	5,828	5,722	5,892	7,170	9,324	9,556	7,762	8,052	9,636	10,346
Business-Type Activities:										
Charges for Services:										
Utility	3,911	3,978	4,247	5,622	5,466	5,764	5,276	5,717	8,085	6,009
Parks and Recreation	1,966	1,995	2,155	2,388	1,614 A	1,529 A	1,652 A	1,705	2,206	2,099
Capital Grants and Contributions	-	-	102	-	-	-	-	456	-	-
Total Business-Type Activities Program Revenue	5,877	5,973	6,504	8,010	7,080	7,293	6,928	7,878	10,291	8,108
Total Primary Government Program Revenues	\$11,705	\$11,695	\$12,396	\$15,180	\$16,404	\$16,849	\$14,690	\$15,930	\$19,927	\$18,454
<b>Net (Expense)/Revenue</b>										
Governmental Activities	(\$12,293)	(\$9,893)	(\$9,698)	(\$9,541)	(\$7,428)	(\$7,797)	(\$10,778)	(\$11,741)	(\$13,512)	(\$12,786)
Business-Type Activities	(1,552)	(1,506)	(662)	155	1,298	1,014	(534)	496	3,261	226
Total Primary Government Net Expense	(\$13,845)	(\$11,399)	(\$10,360)	(\$9,386)	(\$6,130)	(\$6,783)	(\$11,312)	(\$11,245)	(\$10,251)	(\$12,560)

(continued)

**CITY OF BRISBANE**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(Dollars in thousands)**  
**(continued)**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$7,387	\$6,336	\$4,950	\$3,518	\$2,816	\$3,162	\$3,258	\$3,342	\$3,662	\$4,372
Sales Taxes	4,600	2,842	4,495	2,863	2,529	3,333	3,843	4,408	4,678	5,609
Motor Vehicle In-Lieu	9	13	2	2	-	-	-	-	-	-
Transient Occupancy Tax	1,357	1,306	1,560	1,668	2,038	2,447	2,786	2,768	2,886	2,890
Business License Tax	-	-	-	2,898	-	-	-	-	-	-
Other Taxes	-	458	494	2,055	649	909	1,056	1,423	1,118	2,243
Developer Contributions	-	170	-	-	-	-	-	-	-	-
Interest Earnings	242	98	1,587	1,516	947	-	182	100	106	704
Miscellaneous	81	8	75	337	335	-	48	14	23	422
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Transfers, net	(915)	(745)	(1,008)	(834)	4,914	681	54	5	120	85
Extraordinary Item	-	-	16,063	-	-	-	-	-	-	-
Contribution from Successor Agency	-	-	-	-	2,512	-	-	-	-	-
Special Item: Gain on Early Retirement of Debt	-	-	-	-	3,491	-	-	-	-	-
Special Item: Successor Agency Loan Write-off	-	-	-	-	-	-	(4,099)	-	-	-
Total Government Activities	12,761	10,486	28,218	14,023	20,231	10,532	7,128	12,060	12,593	16,325
Business-Type Activities:										
Other Taxes	28	29	30	33	30	30	30	30	81	33
Interest Earnings	(138)	94	3	51	55	51	88	(574)	(387)	60
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Developer Contribution	-	862	-	-	-	-	-	-	-	60
Intergovernmental	-	33	185	-	-	-	-	-	-	-
Transfers and Other	915	745	1,008	834	(4,914)	(681)	(54)	(5)	(120)	(85)
Total Business-Type Activities	805	1,763	1,226	918	(4,829)	(600)	64	(549)	(426)	68
Total Primary Government	\$13,566	\$12,249	\$29,444	\$14,941	\$15,402	\$9,932	\$7,192	\$11,511	\$12,167	\$16,393
<b>Change in Net Position</b>										
Governmental Activities	\$2,868	\$788	\$18,677	\$6,595	\$12,434	(\$246)	(\$3,650)	\$319	(\$919)	\$3,539
Business-Type Activities	(701)	1,101	1,381	2,216	(3,815)	(1,134)	(470)	(53)	2,835	294
Total Primary Government	\$2,167	\$1,889	\$20,058	\$8,811	\$8,619	(\$1,380)	(\$4,120)	\$266	\$1,916	\$3,833

(A) In fiscal year 2014, the City reorganized its funds and the former Parks and Recreation Fund was renamed the Marina Fund. The Parks and Recreation fund was then combined with the General Fund.

CITY OF BRISBANE  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(In thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Reserved	\$3,157									
Unreserved	3,941									
Nonspendable	-	\$2,636	\$2,630	\$3,475	\$3,384	\$3,291	\$3,315	\$2,594	\$2,437	\$1,818
Restricted	-	-	-	-	-	-	-	107	114	530
Assigned	-	436	141	192	274	295	221	253	274	821
Unassigned	-	4,526	6,756	7,388	8,484	8,957	7,745	8,702	8,628	7,949
<b>Total General Fund</b>	<b>\$7,098</b>	<b>\$7,598</b>	<b>\$9,527</b>	<b>\$11,055</b>	<b>\$12,142</b>	<b>\$12,543</b>	<b>\$11,281</b>	<b>\$11,656</b>	<b>\$11,453</b>	<b>\$11,118</b>
<b>All other governmental funds</b>										
Reserved	\$28,469									
Unreserved, reported in:	(28)									
Special revenue funds	1,063									
Debt service funds	(14,102)									
Redevelopment Agency	(6,831)									
Capital Projects funds	-									
Nonspendable	-						\$154	\$80		
Restricted	-	\$31,985	\$23,827	\$24,306	\$9,428	\$9,658	3,965	3,861	\$6,061	\$6,725
Assigned	-	199	670	1,703	2,982	3,666	3,762	3,813	3,837	3,914
Unassigned	-	(9,952)	(1,034)	(207)	(312)	(488)	(561)	(1,331)	(1,609)	(1,244)
<b>Total all other governmental funds</b>	<b>\$8,570</b>	<b>\$22,232</b>	<b>\$23,463</b>	<b>\$25,802</b>	<b>\$12,098</b>	<b>\$12,836</b>	<b>\$7,320</b>	<b>\$6,423</b>	<b>\$8,289</b>	<b>\$9,395</b>

Source: City of Brisbane Comprehensive Annual Financial Report

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CITY OF BRISBANE  
Changes in Fund Balance of Governmental Funds  
Last Ten Fiscal Years  
(Modified Accrual Basis of Accounting)  
(In thousands)

	Fiscal Year Ended June 30,			
	2010	2011	2012	2013
<b>Revenues</b>				
Taxes and special assessments	\$15,941	\$12,546	\$12,659	\$9,607
Intergovernmental	989	43	26	1,120
Licenses, permits, and fees	1,285	708	1,201	3,429
Charges for services	335	185	398	233
Fines and forfeitures	89	627	797	58
Use of money and property	284	231	1,741	1,587
Other revenues	2,739	2,534	2,469	3,924
Total Revenues	21,662	16,874	19,291	19,958
<b>Expenditures</b>				
Current:				
General government	3,561	3,335	3,492	3,998
Public safety-police	3,165	2,839	2,699	2,950
Public safety-fire	2,409	2,379	2,485	2,314
Public works	4,553	2,421	1,290	2,776
Parks and recreation	-	-	-	-
Library	24	670	979	25
Capital outlay	992	1,195	2,883	1,499
Debt service:				
Principal repayment	2,055	2,670	2,324	2,567
Interest and fiscal charges	2,543	2,436	2,913	2,012
Bond issuance cost	-	-	-	-
Total Expenditures	19,302	17,945	19,065	18,141
Excess (deficiency) of revenues over (under) expenditures	2,360	(1,071)	226	1,817
<b>Other Financing Sources (Uses)</b>				
Premium on refunding bonds issued	-	-	-	1,486
Proceeds from sale of property/assets	-	-	-	-
Proceeds from long-term debt	-	-	-	1,611
Payment to refunded debt escrow agent	-	-	-	-
Discount paid on issuance of debt	-	-	-	-
General Fund advance	-	-	-	-
Transfer in	3,317	3,591	3,110	1,809
Transfer out	(4,221)	(4,542)	(3,081)	(2,856)
Extraordinary item	-	-	2,904	-
Special item	-	-	-	-
Total other financing sources (uses)	(904)	(951)	2,933	2,050
Net change in fund balances	\$1,456	(\$2,022)	\$3,159	\$3,867
Debt service as a percentage of noncapital expenditures	25.1%	30.5%	32.4%	27.5%

In fiscal year 2014, the City reorganized its funds and the former Parks and Recreation Fund was renamed the Marina (A) Fund. The Parks and Recreation fund was then combined with the General Fund.



2014	2015	2016	2017	2018	2019
\$9,501	\$11,258	\$11,400	\$12,069	\$12,873	\$14,606
360	665	420	651	511	919
4,162	3,978	3,234	4,312	4,198	6,623
2,579	2,090	2,158	2,507	2,751	3,662
60	40	51	48	50	66
1,026	255	269	156	175	855
452	1,390	735	552	1,190	974
18,140	19,676	18,267	20,295	21,748	27,705
3,570	3,780	4,472	4,647	5,534	5,823
3,038	3,611	4,071	4,390	4,628	4,917
2,247	2,300	2,586	2,402	3,035	3,357
2,473	2,748	2,896	2,972	3,245	3,637
1,630 A	1,775	1,821	2,139	2,192	2,200
27	28	28	-	-	-
1,083	1,232	838	2,085	802	4,243
16,135	6,938	2,546	1,036	1,147	649
1,347	1,036	686	446	485	422
-	-	-	-	-	-
31,550	23,448	19,944	20,117	21,068	25,248
(13,410)	(3,772)	(1,677)	178	680	2,457
1,004	88	-	-	-	-
-	292	-	-	-	-
63	5,470	-	-	3,330	-
-	-	-	-	(1,738)	-
-	-	-	-	-	-
-	-	-	-	-	-
1,672	7,800	2,369	2,131	2,112	5,331
(1,946)	(8,740)	(3,371)	(2,831)	(2,722)	(7,017)
-	-	-	-	-	-
-	-	(4,099)	-	-	-
793	4,910	(5,101)	(700)	982	(1,686)
(\$12,617)	\$1,138	(\$6,778)	(\$522)	\$1,662	\$771
57.4%	35.9%	16.9%	8.2%	8.1%	5.1%

**City of Brisbane**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
(amounts expressed in thousands)

Fiscal Year	Property Tax <sup>1</sup>	Sales Tax	Gas Tax	Franchise Tax	Transfer Tax	TOT Tax	Business License Tax	Total
2010	\$7,371	\$5,833	\$71	\$202	\$23	\$969	\$465	\$14,934
2011	6,450	2,978	109	213	32	1,306	734	11,821
2012	3,749	4,637	127	216	35	1,560	607	10,931
2013	3,051	3,029	105	199	47	1,668	2,898	10,998
2014	2,725	2,701	144	334	76	2,038	2,792	10,810
2015	3,163	3,333	118	531	68	2,447	2,746	12,406
2016	3,183	3,843	108	708	75	2,786	2,580	13,283
2017	3,294	4,597	97	737	48	2,768	3,135	14,676
2018	3,520	4,887	119	849	129	2,886	2,653	15,042
2019	5,001	5,841	187	874	208	2,890	4,995	19,995

<sup>1</sup> Property Tax Includes Prior Taxes, Supplemental Taxes, Property Tax/VLF swap, ERAF and Property Tax from RDA

<sup>1</sup> Gas tax shown in CAFR as intergovernmental, and Business License Tax as Licenses and Permits.

Sales tax includes Measure A sales tax, Public Safety Sales Tax, General Sales Taxes and Sales Tax/Property Tax Swap

Source: City of Brisbane

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## City of Brisbane

### Assessed Value and Estimated Actual Value of Taxable Property

#### Last Ten Fiscal Years

(amounts expressed in thousands)

Fiscal Year	City			Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions	
2010	\$1,436,460	\$261,715	\$12,483	\$1,685,692
2011	1,384,590	266,187	12,556	1,638,221
2012	1,374,563	220,162	10,864	1,583,861
2013	1,381,723	205,631	10,867	1,576,487
2014	1,408,674	184,241	12,208	1,580,706
2015	1,516,681	180,385	10,908	1,686,157
2016	1,624,974	187,517	12,258	1,800,233
2017	1,718,428	185,541	11,374	1,892,596
2018	1,845,340	206,181	13,112	2,038,409
2019	2,043,149	205,714	13,086	2,235,777

Note: The General Property Tax Rate is established at \$1.00 per \$100.00 of assessed value per Article XIII of the California Constitution. The allocation of the property taxes to various taxing agencies including cities, counties, school districts and other special districts is based on the formula determined by the California State Legislature.

California property tax assessments are "acquisition" based, rather than cyclical based. In California, the property tax system is acquisition based, meaning that all real property is assessed upon acquisition or when newly constructed, and assessed at a ratio of 100% of fair market value as of the event date. After the acquisition or new construction basis is determined, year to year increases in assessed value are limited to no more than 2%. In the event of an economic downturn, real property is assessed at the lower of its acquisition basis, increased by the maximum of 2% per year or the fair market value as of January 1, which is lower.

Source: County Assessment Rolls

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Redevelopment Agency					
Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate	
\$431,382	\$110,057	\$65	\$541,374	1.0783	
397,968	111,647	147	509,468	1.0870	
378,850	63,986	79	442,756	1.0893	
				1.0921	
				1.1048	
				1.0991	
				1.1080	
				1.1282	
				1.1276	
				0.0000	

**City of Brisbane**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

Fiscal Year	San Mateo County as Distributor	School District			Total Direct & Overlapping Rates
		Brisbane Elementay School District	Jefferson Union High School District	San Mateo Community College	
2010	1.0000	0.0241	0.0360	0.0182	1.0783
2011	1.0000	0.0261	0.0416	0.0193	1.0870
2012	1.0000	0.0272	0.0422	0.0199	1.0893
2013	1.0000	0.0297	0.0430	0.0194	1.0921
2014	1.0000	0.0280	0.0574	0.0194	1.1048
2015	1.0000	0.0271	0.0530	0.0190	1.0991
2016	1.0000	0.0247	0.0583	0.0250	1.1080
2017	1.0000	0.0235	0.0800	0.0247	1.1282
2018	1.0000	0.0225	0.0816	0.0235	1.1276
2019	1.0000	0.0212	0.0739	0.0175	1.1126

**Notes:**

Under constitutional Amendment (Proposition 13) passed by voters in the State of California in June 1978, the tax rate (excluding bonded debt) is frozen at 1% of the full market value of the property. This tax is collected by the County Tax Collector and distributed on a formula determined by the State Legislature. Local agencies levy only the tax rate for general obligation bonds, or in excess of 1% if two-thirds of the voters in the area authorize such a rate increase. All tax levies include Homeowner's Property Tax Relief and Business Inventory Property Tax Relief.

Source: California Municipal Statistics

**City of Brisbane**  
**Principal Property Taxpayers**  
**Current Year and Ten Years Ago**  
(amounts expressed in thousands)

Taxpayer	2019			2010		
	Taxable Assessed	Rank	% of Total Taxable Assessed	Taxable Assessed	Rank	% of Total Taxable Assessed
	Value		Value <sup>1</sup>	Value		Value <sup>2</sup>
BMR Bayshore Blvd LLC	\$ 116,733	1	5.72%	\$ 23,287	9	1.62%
Oyster Point Properties Inc.	115,292	2	5.65%	99,871	1	6.96%
Slough Brisbane LLC	91,864	3	4.50%	40,596	6	2.83%
DCT Valley Dr CA LLP	70,362	4	3.45%	67,426	3	4.70%
IAC San Francisco LLC	64,240	5	3.15%	55,708	4	3.88%
M & L Associates	55,448	6	2.72%			
2000 Sierra Point Parkway LLC	47,418	7	2.32%	41,075	5	2.86%
Summit Hospitality 114 LLC	44,108	8	2.16%			
BP3 SF4 1000 Marina LLC	40,290	9	1.97%			
Diamond Marina LLC	30,658	10	1.50%			
Prologis USLV SUBREIT 4 LLC	28,305	11	1.39%			
SNH Brisbane CA LLC	27,030	12	1.32%			
CP6BT LLC	22,236	13	1.09%			
BRE SH Brisbane Owner LLC	22,078	14	1.08%			
Valley 325 LP	18,016	15	0.88%			
Marina Boulevard Property LLC	15,288	16	0.75%			
South Hill 99 LP	14,749	17	0.72%			
Barulich Properties LLC	14,492	18	0.71%	12,554	15	0.87%
Western B Northwest CA LLC	13,398	19	0.66%			
101 111 South Hill Drive LLC	12,903	20	0.63%			
Broadway 8000 Marina Fee LLC				73,868	2	5.15%
SRI Seven Marina LLC				33,746	7	2.35%
Fund VIII 1000 Marina LLC				27,300	8	1.90%
William D. and C.A. Spencer Trust				20,202	10	1.41%
Brisbane Lodging LP				19,833	11	1.38%
Tuntex Properties Inc.				17,833	12	1.24%
CPI Sage Hotels Brisbane Owner LLC				16,960	13	1.18%
IAC 325 Valley LLC				13,902	14	0.97%
Rolling Frito-Lay Sales				11,079	16	0.77%
SFPP				10,897	17	0.76%
DLC Brisbane				10,040	18	0.70%
AVJOG Investments LLC				8,548	19	0.60%
Sierra Hotel Management Corp				8,299	20	0.58%
Total	\$ 864,907		42.37%	\$ 613,025		42.72%

Source:  
CA Municipal Statistics

<sup>(1)</sup> 2018-2019 Local Secured Assessed Valuation: \$ 2,041,366

<sup>(2)</sup> 2009-10 Total Net Assessed Valuation: \$ 1,434,965

**City of Brisbane**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy <sup>1</sup>		Collections in Subsequent Years <sup>1</sup>	Total Collections to Date	
		Amount	Percentage		Amount	Percentage
2010	\$7,751	\$7,751	100%	n/a	\$7,751	100%
2011	6,896	6,896	100%	n/a	6,896	100%
2012	2,545 <sup>2</sup>	2,545	100%	n/a	2,545	100%
2013	2,991	2,991	100%	n/a	2,991	100%
2014	2,673	2,673	100%	n/a	2,673	100%
2015	2,838	2,838	100%	n/a	2,838	100%
2016	3,010	3,010	100%	n/a	3,010	100%
2017	3,015	3,015	100%	n/a	3,015	100%
2018	3,340	3,340	100%	n/a	3,340	100%
2019	3,978	3,978	100%	n/a	3,978	100%

<sup>1</sup> Teeter Plan

<sup>2</sup> Decrease due to the dissolution of the redevelopment areas. Tax Increment from the project areas was returned to the underlying taxing entities

Source: City of Brisbane

Property Tax Includes Prior Taxes, Supplemental Taxes, Property Tax/VLF swap, ERAF and Property Tax from RDA



## City of Brisbane

### Ratios of Outstanding Debt by Type

#### Last Ten Fiscal Years

(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities			Business-Type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Revenue Bonds	Tax Allocation Bonds	Other Long-Term Debt	Utility Revenue Bonds	Capital Leases			
2010	\$37,910	-	\$3,930	\$3,880	\$113	\$45,833	n/a	\$10,704
2011	35,855	13,165	3,630	3,775	90	56,515	n/a	13,013
2012	31,368	-	3,295	3,660	68	38,391	n/a	8,751
2013	29,272	-	4,536	3,590	45	37,443	n/a	8,464
2014	10,237	-	4,086	3,474	22	17,818	n/a	3,986
2015	9,274	-	3,581	12,484	-	25,339	n/a	5,529
2016	7,230	-	3,021	12,314	-	22,565	n/a	4,847
2017	6,815	-	2,406	11,890	-	21,111	n/a	4,523
2018	6,420	-	3,466	11,266	83	21,234	n/a	4,529
2019	6,089	-	3,172	10,254	57	19,571	n/a	4,172

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Personal Income is for San Mateo County because City information is not available. As such, calculating a percentage would not be valuable for Brisbane trend data.

**City of Brisbane**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Gross Bonded Debt	Less: Amounts Available in Debt Service Fund	Total	Percent of Assessed Value <sup>1</sup>	Per Capita
2010	\$14,270	\$850	\$13,420	0.80%	3360.86%
2011	13,505	656	12,849	0.78%	3000.81%
2012	12,695	658	12,037	0.76%	2786.92%
2013	12,489	472	12,017	0.76%	2716.25%
2014	11,706	357	11,350	0.72%	2539.04%
2015	11,084 <sup>2</sup>	307	10,777	0.64%	2351.62%
2016	10,139	236	9,903	0.55%	2127.39%
2017	9,124	220	8,904	0.47%	1907.53%
2018	9,729	12	9,717	0.48%	2072.25%
2019	9,101	0	9,101	0.41%	1940.08%

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

<sup>1</sup> Assessed value has been used because the actual value of taxable property is not readily available in the State of California

<sup>2</sup> Restated

**City of Brisbane**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2019**  
(amounts expressed in thousands)

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
<b>Overlapping Tax and Assessment Debt:</b>			
San Mateo Community College District	\$ 801,050,076	1.011%	\$ 8,098,616
Jefferson Union High School District	237,695,639	10.608%	25,214,753
Bayshore School District	11,984,821	19.963%	2,392,530
Brisbane School District	4,835,437	66.003%	3,191,533
City of Brisbane 1915 Act Bonds	1,045,000	100.000%	1,045,000
<b>Total Gross Overlapping Tax and Assessment Debt</b>			<b>39,942,432</b>
<b>Direct and Overlapping General Fund Debt:</b>			
San Mateo County General Fund Obligations	\$ 551,005,360	1.011%	\$ 5,570,664
San Mateo County Board of Education Certificates of Participation	8,140,000	1.011%	82,295
Jefferson Union High School District General Fund Obligations	655,601	10.608%	69,546
City of Brisbane General Fund Obligations	5,965,000	100.000%	5,965,000
City of Brisbane Pension Obligations Bonds	1,436,000	100.000%	1,436,000
<b>Total Direct and Overlapping General Fund Debt</b>			<b>\$ 13,123,505</b>
<b>Overlapping Tax Increment Debt (Successor Agency):</b>			
Tax Allocation Bonds	\$ 10,790,000	100.000%	\$ 10,790,000
Revenue Bonds	-	100.000%	-
			<b>\$ 10,790,000</b>
Total Direct Debt			\$ 7,401,000
Total Overlapping Debt			\$ 56,454,937
<b>Combined Total Debt</b>			<b>\$ 63,855,937 <sup>1</sup></b>

<sup>1</sup> Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Brisbane. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

Source: California Municipal Statistics Inc

**City of Brisbane**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

	Fiscal Year Ending			
	2010	2011	2012	2013
Debt Limit	\$ 63,682	\$ 61,904	\$ 59,802	\$ 59,526
Total net debt applicable to limit	13,420	12,849	12,037	12,017
Legal debt margin	\$ 50,262	\$ 49,055	\$ 47,765	\$ 47,509
Total net debt applicable to the limit as a percentage of debt limit	21.07%	20.76%	20.13%	20.19%
Legal Debt Margin Calculation for Fiscal Year 2019:				
Assessed value <sup>1</sup>	1,698,175	1,650,778	1,594,725	1,587,354
Add back: exempt real property <sup>1</sup>	-	-	-	-
Total assessed value <sup>1</sup>	1,698,175	1,650,778	1,594,725	1,587,354
Debt limit (3.75% of total assessed value)	63,682	61,904	59,802	59,526
Debt applicable to limit:				
General bonded debt	14,270	13,505	12,695	12,489
Less: Amount set aside for repayment of general bonded debt	850	656	658	472
Total net debt applicable to limit	13,420	12,849	12,037	12,017
Legal debt margin	50,262	49,055	47,765	47,509

Note: Under state finance law, the City of Brisbane' outstanding debt should not exceed 3.75 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

<sup>1</sup>Source: California Municipal Statistics Inc  
Assessed Value excludes incremental assessed valuation applicable to the Brisbane Community Redevelopment

City of Brisbane has no general obligation bonds.

Fiscal Year Ending					
2014	2015	2016	2017	2018	2019
\$ 59,474	\$ 63,551	\$ 67,829	\$ 71,289	\$ 76,534	\$ 84,756
11,350	10,777	9,903	8,904	9,717	9,101
\$ 48,124	\$ 52,774	\$ 57,926	\$ 62,384	\$ 66,817	\$ 75,655
19.08%	16.96%	14.60%	12.49%	12.70%	10.74%
1,585,973	1,694,694	1,808,762	1,901,034	2,040,900	2,260,160
-	-	-	-	-	-
1,585,973	1,694,694	1,808,762	1,901,034	2,040,900	2,260,160
59,474	63,551	67,829	71,289	76,534	84,756
11,706	11,084	10,139	9,124	9,729	9,101
357	307	236	220	12	0
11,350	10,777	9,903	8,904	9,717	9,101
48,124	52,774	57,926	62,384	66,817	75,655

**City of Brisbane**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**  
(amounts expressed in thousands)

Utility Revenue Bonds								
Fiscal Year		Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage %
					Principal	Interest	Total	
2014-2015	A	\$ 5,539	\$ 3,886	\$ 1,653	\$ -	\$ -	\$ -	
2015-2016		5,353	4,590	763	170	241	411	185.75%
2016-2017		5,754	4,832	921	305	319	624	147.57%
2017-2018		8,202	4,765	3,437	310	310	620	554.48%
2018-2019	B	6,329	5,367	963	320	296	616	156.34%

(A) In fiscal year 2015, the City issued 2015 Utility Revenue Bonds. Therefore, only five years of information is presented. Fiscal Year 2014-2015 was corrected to reflect there were no payments due in the year of issuance.

Installment Sales Agreement								
Fiscal Year		Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage %
					Principal	Interest	Total	
2014-2015	A	\$ 1,546	\$ 1,488	\$ 58	\$ -	\$ -	\$ -	
2015-2016		1,693	1,647	46	-	118	118	38.99%
2016-2017		1,699	1,798	(99)	119	129	248	-39.93%
2017-2018		2,214	1,522	692	314	124	438	157.90%
2018-2019		2,148	1,390	758	346	114	460	164.78%

(A) In fiscal year 2015, the City entered into a 2015 Installment Sale Agreement. Therefore, only five years of information is presented. Fiscal Year 2014-2015 was corrected to reflect there were no payments due in the first year. Principal payments commence in the third year.

**City of Brisbane**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Fiscal Year	Population <sup>3</sup>	Personal Income (in millions) <sup>2</sup>	Per Capita Personal Income <sup>2</sup>	Labor Force <sup>1</sup>	Unemployment Rate <sup>1</sup>
2010	4,282 <sup>4</sup>	\$47,947	\$66,629	393,000	8.4%
2011	4,343	50,597	69,577	399,900	7.5%
2012	4,387	58,666	79,420	412,100	6.4%
2013	4,424	59,710	79,893	418,100	5.3%
2014	4,470	n/a	n/a	426,900	4.2%
2015	4,583	74,641	97,553	434,700	3.4%
2016	4,655	82,046	106,615	442,100	3.0%
2017	4,668	87,486	113,410	444,600	2.7%
2018	4,689	n/a	n/a	454,900	2.2%
2019	4,691	n/a	n/a	464,300	2.2%

Notes:

<sup>1</sup> Source: State of California Employment Development Department, San Mateo County; previous years reflect annual averages

<sup>2</sup> Source: California Labor Market Info for San Mateo County. Data not available for 2014, 2018 and 2019

<sup>3</sup> Source: California Department of Finance Population Estimates; except where noted

<sup>4</sup> 2010 U.S. Census

**City of Brisbane**  
**Principal Employers**  
**Current Year and Ten Years Ago**

Employer	2019 <sup>1</sup>			2010 <sup>2</sup>	
	Employees	Rank	Percentage of Total City Employment	Employees	Rank
RealReal Inc The	525	1	18.10%		
Bi-Rite Foodservice Distributors	282	2	9.72%	259	6
LeeMAH Electronics Inc	273	3	9.41%		
Transdev Services Inc	231	4	7.97%		
Cutera Inc	225	5	7.76%		
Expeditors Intl of WA Inc	180	6	6.21%	223	8
Actellion Pharmaceuticals	175	7	6.03%		
F.W. Spencer	144	8	4.97%		
Greenleaf	140	9	4.83%		
Ultragenyx Pharmaceutical Inc	137	10	4.72%		
Pepsi Bottling Group				380	1
Sunset Scavenger Co/Recology				350	2
IGN Entertainment Inc				305	3
Vaxgen Inc				295	4
VWR Corporation				272	5
Monster Cable Products Inc				224	7
Collab.net Inc				212	9
Bebe				198	10
Total Top 10 Employers	2,312		79.72%		
Total City Labor Force <sup>3</sup>	2,900				

Source:

<sup>1</sup> Avenu Insights & Analytics (City of Brisbane Business License process partner)

Business License Data Report has been updated to reflect compliance with GASB No. 44.

Results based on direct correspondence with local businesses; reflect City of Brisbane locations only

<sup>2</sup> City of Brisbane Business License data (self reporting); previous counts may be company-wide

<sup>3</sup> Total City Labor Force provided by EDD Labor Force Data



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**City of Brisbane**  
**Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

	June 30			
	2010	2011	2012	2013
<b>Function:</b>				
General government	13.55	11.25	10.89	10.79
Public safety:				
Police	17.99	15.11	15.11	14.11
Fire	10.00	10.00	10.00	10.00
Public works and Municipal Utilities	23.00	16.00	16.00	16.10
Community development	5.90	4.90	4.40	3.80
Parks and recreation	12.05	11.55	12.80	12.80
Marina	12.15	12.15	12.76	11.78
<b>Total</b>	<b>94.64</b>	<b>80.96</b>	<b>81.96</b>	<b>79.38</b>

Source: City of Brisbane Base Budget

June 30					
2014	2015	2016	2017	2018	2019
11.65	12.05	12.55	12.55	12.55	13.55
15.11	17.11	18.11	19.11	19.11	19.61
10.00	10.00	10.00	10.00	10.00	10.00
14.00	15.00	17.00	17.00	19.00	20.00
3.90	5.40	5.40	5.00	5.00	5.00
18.83	18.83	19.83	19.58	19.58	19.58
5.75	7.25	7.25	7.25	5.25	3.50
79.24	85.64	90.14	90.49	90.49	91.24

**City of Brisbane**  
**Operating Indicators by Function**  
Last Ten Fiscal Years

Function	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Police						
Response time to :						
Extreme Emergencies	4:26	3:07	3:31	4:12	4:53	4:33
Emergencies	3:48	6:28	3:37	3:57	4:04	4:25
Non-Emergencies	5:50	9:07	6:10	6:25	4:52	6:06
Number of victims per 1,000 citizens or business	30	33	32	33	30	31
Fire						
Number of calls answered	663	619	667	670	706	713
Number of inspections	449	558	423	429	493	382
Public Works:						
Number of Building and Park Maintenance service requests received			77	141	140	166
Number of Graffiti on Public Property requests for service			1	3	6	12
Number of Sidewalk Maintenance/Trip Hazard service requests			5	13	10	14
Number of Street Tree service requests			21	32	37	38
Number of Street-Sign/Light/Traffic Signal service requests			30	49	29	82
Number of Weeds, Trash and Debris on Public Property service requests			20	43	42	66
Water						
Total Water Purchased	276,478ccf	275,884ccf	280,650ccf	287,290 ccf	302,776 ccf	279,815 ccf
Number of main breaks and repairs	2	1	3	2	4	2
Number of service breaks (public side of meter) and repairs	1	3	9	2	6	2
Percentage of water samples that pass health standards	100	100	100	100	100	100
Percentage of water storage tanks cleaned and inspected	100	100	100	100	0	0
Percentage of reported broken water meters replaced	100	100	100	100	100	100
Percentage of backup emergency generators inspected and tested at critical water facilities	100	100	100	100	100	100
Percentage of known water main valves exercised	100	100	58	27	50	44
Sewer						
Average Daily sewage flow (thousands of gallons)	340	356	326	319	303	346
Total annual sewage flow		173,925ccf	159,052ccf	155,534ccf	147,836 ccf	168,651 ccf
Number of public sewer main blocks/breaks	15	10	12	3	3	3
Number of private lateral blocks/breaks that City responds to					18	25
Percentage of public sewer blockages cleared within:						
4 hours	100	100	100	100	95	100
12 hours	100	100	100	100	95	100
Community Development:						
Total permit valuation (\$000)	9,890	5,424	9,101	18,459	19,083	16,811
Parks and Recreation:						
Community/Special Events (Concerts in the Park, Festival of Lights, etc.)						
number of events	6	6	6	6	11	17
Sports Programs (e.g. basketball, softball): number of sports						
Youth	13	13	14	14	19	10
Adult	3	3	3	3	3	2
Classes: (number of programs)						
Adult	11	10	12	8	8	10
Youth	4	7	5	8	11	4
Youth & Adult	separated					
Child Care programs (Average Enrollment):						
Preschool	20	20	20	20	20	20
Afterschool	64	66	69	82	101	103
Day Camps (Average Enrollment)	67	60				
Spring			33	35	39	35
Summer			56	45	45	50
Winter			27	23	25	24
Teen Programs (number of programs)	7	5	9	0	0	4
Aquatic programs (Enrollment/attendance):						
Summer swim lessons	778	780	579	611	466	551
Water aerobics	9 / day	7 / day	6 / day	10 / day	10 / day	
Senior Center (Enrollment/attendance)	37 / week	37 / week	38 / week	37 / week	37 / week	55 / week
Programs	8	7	7	6	6	6
All programs	64	64	61	53	66	
Rentals						
Community Center						15
Mission Blue						37
Community Park						146
Fields						5

Notes: Indicators are not available for the general government function.

Fiscal Year			
2016	2017	2018	2019
4:31	5:02	4:36	4:43
4:11	4:06	3:54	3:58
5:18	6:16	6:07	6:21
31	34	33	30
751	698	694	660
378	413	502	419
146	168	173	165
7	6	7	9
14	25	29	21
70	42	54	76
94	97	80	91
78	93	111	70
257,414 ccf	294,756 ccf	334,217 ccf	323,917 ccf
0	1	0	4
3	3	2	5
97	99	100	100
100	0	0	100
100	100	100	100
100	100	100	100
28	20	10	35
379	475	426	430
185,044 ccf	231,544 ccf	207,825 ccf	209,917 ccf
4	3	3	1
15	4	4	14
100	75	33	100
100	75	33	100
22,222	12,066	199,996	303,030
26	27	25	27
10	10	12	11
2	1	1	1
10	11	11	12
7	7	7	6
25	25	20	16
101	85	90	100
36	32	32	35
44	46	42	53
29	31	20	30
3	3	5	5
514	518	704	710
11 / day	13 / day	12 / day	14 / day
46 / week	44 / week	45 / week	47 / week
5	7	8	8
17	21	25	18
26	16	14	33
135	113	120	98
8	10	10	10

# City of Brisbane

## Capital Asset Statistics by Function

### Last Ten Fiscal Years

Function	Fiscal Year					
	2010	2011	2012	2013	2014	2015
Public Safety:						
Police:						
Stations	1	1	1	1	1	1
Patrol units	5	5	5	5	5	5
Fire:						
Fire Stations	1	1	1	1	1	1
Fire Engines	3	3	3	3	3	3
Public Works:						
Streets (miles)	23	23	23	23	23	23
Streetlights	790	790	790	790	790	791
Sanitary Sewers (linear feet)	80,712	80,712	80,712	80,712	80,712	80,712
Water Lines (linear feet)	132,830	132,830	132,830	132,830	132,830	132,830
Water Storage (million gallons)	2.9	2.9	2.9	2.9	2.9	2.9
Parks and Recreation:						
Parks acreage	57.98	57.98	57.98	57.98	57.98	57.98
Parks	15	15	15	15	15	15
Swimming pools	1	1	1	1	1	1
Open Space acreage <sup>1</sup>	184.68	184.68	184.68	184.68	184.68	184.68
Wetlands	127.75	127.75	127.75	127.75	127.75	127.75

Note: No capital asset indicators are available for the general government or community development functions.

<sup>1</sup> Source: 2001 Brisbane Open Space Plan

Fiscal Year			
2016	2017	2018	2019
1	1	1	1
5	5	5	
1	1	1	1
3	3	3	4
23	23	23	23
791	791	659	659
80,712	80,712	82,020	82,020
132,830	132,830	132,830	132,830
2.9	2.9	2.9	2.9
57.98	57.98	57.98	57.98
15	15	15	15
1	1	1	1
184.68	184.68	184.68	184.68
127.75	127.75	127.75	127.75

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