

ANNUAL COMPREHENSIVE FINANCIAL REPORT



City of

BRISBANE

California

For the Fiscal Year Ended June 30, 2022

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CITY OF BRISBANE
CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2022

Prepared by:
City of Brisbane, Finance Department
Carolina Yuen, Finance Director

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Annual Comprehensive Financial Report
For the Year Ended June 30, 2022
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March 28, 2023

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

We are pleased to submit the Annual Comprehensive Financial Report (Annual Report) for the City of Brisbane (the City) for the fiscal year ended June 30, 2022. 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. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified ("clean") opinion that the City's financial statements for the fiscal year that ended June 30, 2022, were fairly presented in accordance with generally accepted accounting principles (GAAP).

The Annual Report 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 a 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 4,668 residents (2021 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. Policy-making and legislative authority is vested in the City Council which is comprised of five members elected at-large to four-year terms. Terms are staggered with two council members elected in one election period and three in another. Since November 2017, the City's general municipal elections have been consolidated with the statewide election to hold elections on even-numbered years. The Council selects the Mayor and Vice-Mayor from its members to serve one-year terms. 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 in which 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 receives most of its sales tax revenue from construction operations. A handful of businesses make up a sizable portion of City revenues; the five largest Sales Tax producers are slightly over 66 % of all Sales Tax collected.

In March 2020, the City and the rest of the world, experienced an unprecedented event with the declaration of the worldwide pandemic of a novel coronavirus (COVID-19). As a result, On March 9, 2020, the City confirmed and ratified the Proclamation of the Existence of a Local Emergency as recommended by the City Manager, acting as Director of Emergency Services.

The COVID-19 pandemic impacted every section of the state and local economy. Mandated closures of restaurants, services deemed as non-essential, event spaces and tourist sites led to record-high unemployment and loss of income across the state.

The City conducted business with the public mostly online from the start of the pandemic through the fiscal year 2021-2022. Activities of the General Fund, the primary operating fund of the City used to account for most day-to-day activities, experienced revenues for FY2021-22 higher than budgeted by \$1.6 million, primarily due to increases property taxes, planning permits and community programming. However, actual expenditures for the same period came in higher than budgeted by \$6 million, primarily due to a capital outlay of \$4.3 million for a vacant building on Old County Road purchased for future use.

The biggest loss in revenue to the City was in Sales Taxes, due to sales tax activity being normalized to pre-pandemic levels after a one-time spike in the prior year. Also promising, the Transient Occupancy Tax generated by two hotels in town saw an increase from prior year results. Due to the make-up of the revenue streams (referenced in the accompanying Management Discussion and Analysis and following in the Local Economy section), the City expects it's in a good position to rebound and continue to maintain strong revenues.

Property taxes remain strong as the City is in an area that enjoys median home prices exceeding the national average. According to the Zillow Home Value Index, the median sales price for a home in Brisbane in June 2022 was \$1.3 million, a growth of 8% from the previous year. Also, with increased commercial developments within city limits, the City saw an increase in assessed overall secured property tax value of 15% from June 2021.

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 in 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. In November 2019, voters passed a proposition 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 of \$400,000.

In November 2017, voters passed a business license tax to include 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.

The City's room tax revenues are generated by the two hotels located at Sierra Point. In November 2019, voters passed an increase in the Transient Occupancy Tax (TOT) rate to 14%.

In November 2019, voters passed a proposition establishing a business license tax on the gross receipts of cannabis businesses.

In November 2022, voters passed two propositions that will go into effect in 2023. One established a business license tax on hotels and other places designated for occupancy by transients. Every operator is asked to pay a daily business license tax of (\$2.50) for every room for which a transient has paid rent. The second established a transaction and use (sales) tax of one-half of one percent (0.50%) of gross receipts of any retailer from the sale of all tangible personal property sold at retail in Brisbane.

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 amended 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. The developer has prepared and submitted a draft Specific Plan to the City. The City is preparing an environmental impact report (EIR) for the Specific Plan. The Specific Plan and EIR will be subject to public review and hearings before the City's Planning Commission and City Council. A Development Agreement between the Developer and the City will also be prepared and considered along with the Specific Plan.

Healthpeak Properties is nearing completion of "The Shore," a five-building life science development on Sierra Point. Development is largely complete, with all five R&D buildings being occupied by tenants under temporary occupancy approvals. Close-out of the development permits is expected by late 2023. The project also includes over 15,000 square feet of retail space, most of which lines the parking garage at the east end of the campus. The City has recently received a submittal for a building permit application to accommodate a restaurant in approximately half of that retail liner, with the intent to occupy by Summer 2023. The remainder of the retail tenant buildout and occupancy is to follow, possibly by early 2024.

Construction continues on the third building of the Genesis Marina life science project (three building campus), with construction of the core and shell anticipated to be completed in Q3-2023. One building is fully leased along with half of a second building, with occupancy expected in the first quarter of 2024.

Another potential new development at Sierra Point is in the planning stages. Healthpeak has bought a developed site and is proposing to construct additional buildings for life science. The City is preparing an EIR and the City expects the proposal will be reviewed by the City Planning Commission and City Council in 2024. Universal Paragon Corporation (UPC) owns the last undeveloped site at

Sierra Point and has filed an application to construct a hotel/life sciences complex. An EIR is under preparation, and it is anticipated that the project could be subject to public review in late 2023 or early 2024.

The City recovered from the recession of the late 2000s as seen by the increase in revenues over the past two decades. 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.

Although the City experienced reduced sales tax and transient occupancy tax revenues over the past year, as the local area recovers from the COVID-19 economic impact, the City is well-positioned to tap into rainy day or unassigned reserves as needed.

Long-term Financial Planning

The City has taken great strides in long-term financial planning. Staff has continuously worked on a five-year forecast, but transitioning to a ten-year forecast. This provides City Council and the community greater information on projects and issues that will be affecting the community in the short and long term.

After moving away from a two-year budget process during the recession in the late 2000s, the City has returned to a two-year budget process commencing with fiscal years 2016-2017.

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.

The City initiated a water and sewer rate study in 2021 to identify potential rate table restructuring and increases. Rates are expected to be reviewed through public hearing in early April 2023.

Also, with strong revenues, the City was able to revisit a variety of capital improvement projects. One major initiative was the construction of a new library in the downtown area which broke ground in July 2018 and was open to the public in April 2021.

The State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act (ARPA) was signed into law by President Biden in March 2021. The bill established funds allocated to recovering from the pandemic and restoring the economy. The US Department of the Treasury is responsible for oversight and to administer these payments to the State of California for non-entitlement cities (population less than 50,000), which includes the City of Brisbane. The City was allocated a total of \$1,117,402 to be paid in two separate and equal tranches. The first payment was received in July 2021, and the second installment in July 2022. All funds must be obligated by December 2024, and agencies have until December 2026 to fully expend their funds to use the funds for qualifying programs. The City allocated \$200,000 in October 2021 towards a one-time grant program for local small businesses to help them recover from lost revenues caused by the pandemic.

In late 2021, the City entered into a lease agreement to occupy a building across the street from City Hall. Plans are in place to improve the property as a City Hall Annex for the increase in staff needed to address current growth and to plan for future city expansions.

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.

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 Finance 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 generally 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 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 a 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 the late 2000s due to budgetary constraints, we continue to maintain the same quality in this year's report. The report is prepared following criteria and guidelines used for the GFOA award program.

The preparation and development of this report would not have been possible without the year-round efficiency of the staff in the Finance Division. We would like to take this opportunity to compliment and give a special thanks to Financial Services Manager Tran Nguyen, Management Analyst Marilyn Jay, Accounting Systems Analyst Lori Pierce, Senior Accounting Assistant Ligia Ferreira, and Administration Assistant Tricia Gitchuway and their special efforts working in conjunction with the audit staff at Maze & Associates in the preparation of this report.

We would also like to thank the City Council for their continued support and interest in maintaining the highest professional standards in the planning and management of the City's finances.

Respectfully submitted,



Clayton L. Holstine
City Manager

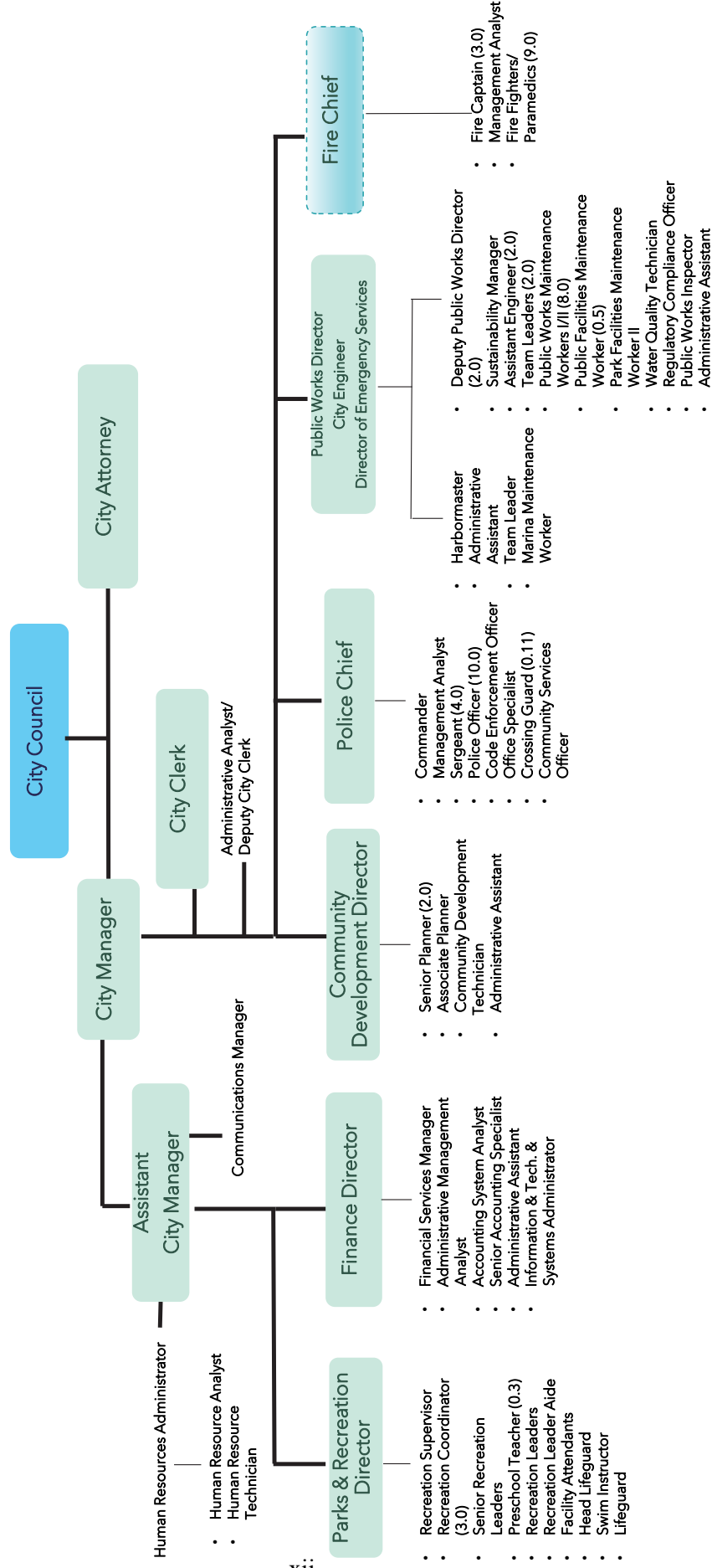


Carolina Yuen
Finance Director

Providing for Today, Preparing for Tomorrow

City of Brisbane Organizational Chart

FY2021/2022



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, 2022**

CITY COUNCIL/BOARD MEMBERS

Coleen Mackin, Mayor / Board Member
Cliff R. Lentz, Mayor Pro Tempore / Board Vice-Chairperson
Karen S. Cunningham, Council Member / Board Chairperson
Madison Davis, Council Member / Board Member
Terry O’Connell, Council Member / Board Member

STAFF MEMBERS

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

Thomas McMorrow
City Attorney, Agency / District Legal Counsel

Stuart Schillinger
Assistant City Manager

Carolina Yuen
Finance Director / Treasurer

John A. Swiecki
Community Development Director

Lisa Macias
Police Chief

Randy Breault
Public Works Director / City Engineer

Ingrid Padilla
City Clerk

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

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, 2022, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Change in Accounting Principles

Management adopted the provisions of the Governmental Accounting Standards Board Statement No. 87 – *Leases*, which became effective during the year ended June 30, 2022.

As discussed in Note 11 to the financial statements, the implementation required the beginning balances of the Governmental Activities capital assets and non-current liabilities as of July 1, 2021 be restated by \$3,152,216 to reflect the Right-to-use leased equipment and the leases payable balances as of July 1, 2021. As a result, the net effect on beginning net positions was zero.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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.

Supplementary 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 accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 18, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's 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
April 18, 2023

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, 2022. 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-xi of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the City of Brisbane increased by \$6.0 million, or 4.0%, to \$156.4 million, of which \$111.8 million represents governmental assets and deferred outflows and \$44.5 million represents business-type assets and deferred outflows.
- As of June 30, 2022, the City's total liabilities and deferred inflows increased by \$9.5 million, or 15.9%, to \$69.4 million, of which \$59.8 million represents governmental liabilities and deferred inflows and \$12.6 million represents business-type liabilities and deferred inflows.
- The assets and deferred outflows of the City exceed its liabilities and deferred inflows by \$87.0 million (net position). Of this amount, (\$8.4) 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 decreased by \$3.5 million primarily because the City experienced a decrease of sales taxes, an increase of expenses in operations. The decrease was budgeted and available to the City based on effective planning.
- At the close of the current fiscal year, the City of Brisbane's governmental funds reported combined fund balances of \$24.2 million. Approximately 12% of this amount, \$2.9 million is available for spending at the government's discretion (unassigned fund balance).
- City-wide revenue decreased by \$6.1 million, or 15.5%, to \$33.3 million, of which \$25.8 million was generated by governmental activities and \$7.5 million was generated by business-type activities.
- City-wide expenses increased by \$2.2 million, or 6.4%, to \$36.8 million, of which \$27.7 million were generated by governmental activities and \$9.1 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 16 to 17 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 20-23 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 26-28 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 30-31 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 33-88 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 110-141 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 | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Current Assets | \$ 29,853 | \$ 29,917 | \$ 8,443 | \$ 10,500 | \$ 38,296 | \$ 40,417 |
| Capital assets | 67,338 | 62,574 | 33,177 | 33,661 | 100,515 | 96,235 |
| Other non-current assets | 3,402 | 3,475 | 2,296 | 2,325 | 5,698 | 5,800 |
| Total assets | <u>\$ 100,593</u> | <u>\$ 95,966</u> | <u>\$ 43,916</u> | <u>\$ 46,486</u> | <u>\$ 144,509</u> | <u>\$ 142,452</u> |
| Deferred Outflows | \$ 11,233 | \$ 7,304 | \$ 613 | \$ 601 | \$ 11,846 | \$ 7,905 |
| Current liabilities | \$ 6,129 | \$ 6,709 | \$ 2,696 | \$ 2,632 | \$ 8,825 | \$ 9,341 |
| Non-current liabilities | 33,903 | 37,167 | 8,743 | 10,539 | 42,647 | 47,706 |
| Total liabilities | <u>\$ 40,032</u> | <u>\$ 43,876</u> | <u>\$ 11,440</u> | <u>\$ 13,171</u> | <u>\$ 51,472</u> | <u>\$ 57,047</u> |
| Deferred Inflows | \$ 16,767 | \$ 2,542 | \$ 1,136 | \$ 268 | \$ 17,903 | \$ 2,810 |
| Net position: | | | | | | |
| Net investment in capital assets, | \$ 53,735 | \$ 55,503 | \$ 27,057 | \$ 27,156 | \$ 80,792 | \$ 82,659 |
| Restricted | 13,862 | 10,688 | 759 | 759 | 14,621 | 11,447 |
| Unrestricted | (12,570) | (9,339) | 4,138 | 5,733 | (8,432) | (3,606) |
| Total net position | <u>\$ 55,026</u> | <u>\$ 56,853</u> | <u>\$ 31,954</u> | <u>\$ 33,648</u> | <u>\$ 86,980</u> | <u>\$ 90,501</u> |

For more detailed information see the Statement of Net Position (page 16).

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 and deferred outflows exceeded liabilities and deferred inflows by \$86.8 million at the close of the most recent fiscal year.

By far the largest portion of the City's net position, \$80.8 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, \$14.6 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, 2022, 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.

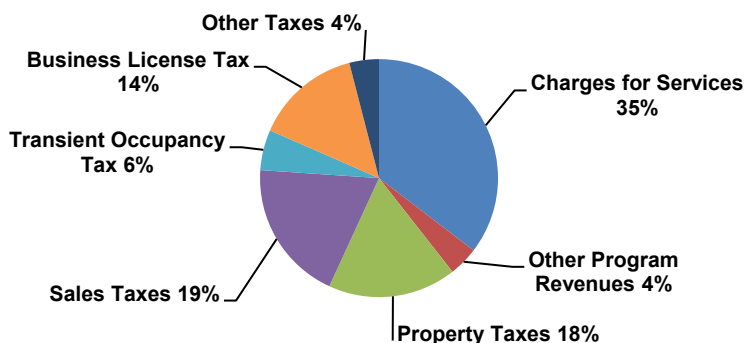
**Government-wide
Statement of Activities
As of June 30,**
(in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|----------------------------|-----------|-----------------------------|-----------|------------|-----------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 10,665 | \$ 12,284 | \$ 7,776 | \$ 8,020 | \$ 18,441 | \$ 20,304 |
| Operating contributions and grants | 1,213 | 1,054 | - | - | 1,213 | 1,054 |
| Capital contributions and grants | - | 507 | - | - | - | 507 |
| Total program revenues | 11,879 | 13,845 | 7,776 | 8,020 | 19,655 | 21,865 |
| General revenues: | | | | | | |
| Property taxes | 5,257 | 5,513 | 35 | 34 | 5,293 | 5,547 |
| Sales taxes | 5,792 | 7,652 | | | 5,792 | 7,652 |
| Transient occupancy tax | 1,653 | 850 | | | 1,653 | 850 |
| Other taxes | 1,635 | 1,626 | | | 1,635 | 1,626 |
| Total taxes | 14,337 | 15,641 | 35 | 34 | 14,372 | 15,675 |
| Investment earnings (loss) | (426) | 288 | (401) | (334) | (827) | (46) |
| Other revenue | 33 | 1,730 | 60 | 60 | 93 | 1,790 |
| Gain from sale of land held | - | 131 | | | - | 131 |
| Total revenues | \$ 25,823 | \$ 31,636 | \$ 7,470 | \$ 7,780 | \$ 33,294 | \$ 39,416 |
| Expenses: | | | | | | |
| General government | \$ 8,694 | \$ 11,358 | \$ - | \$ - | \$ 8,694 | \$ 11,358 |
| Public safety - police | 6,108 | 4,789 | - | - | 6,108 | 4,789 |
| Public safety - fire | 5,763 | 3,838 | - | - | 5,763 | 3,838 |
| Public works | 4,267 | 4,776 | - | - | 4,267 | 4,776 |
| Parks and recreation | 2,648 | 1,622 | - | - | 2,648 | 1,622 |
| Interest on long-term debt | 185 | 248 | - | - | 185 | 248 |
| Water | | | 2,216 | 2,235 | 2,216 | 2,235 |
| Sewer | | | 2,575 | 2,044 | 2,575 | 2,044 |
| Guadalupe Valley Municipal Improvement District | | | 2,710 | 2,388 | 2,710 | 2,388 |
| Marina | | | 1,647 | 1,317 | 1,647 | 1,317 |
| Total expenses | \$ 27,665 | \$ 26,631 | \$ 9,149 | \$ 7,984 | \$ 36,814 | \$ 34,615 |
| Increase/decrease in net position before transfers | \$ (1,842) | \$ 5,005 | \$ (1,679) | \$ (204) | \$ (3,520) | \$ 4,801 |
| Transfers | 16 | (2) | (16) | 2 | - | - |
| Special items | | | - | - | - | - |
| Increase/decrease in net position | (1,826) | 5,002 | (1,694) | (202) | (3,520) | 4,801 |
| Net position - beginning of year | 56,853 | 51,850 | 33,648 | 33,850 | 90,501 | 85,700 |
| Net position - end of year | \$ 55,026 | \$ 56,853 | \$ 31,954 | \$ 33,648 | \$ 86,980 | \$ 90,501 |

Governmental activities. Program revenues generated 46% 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 decreased slightly by 5%. 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 decreased by 24% over the prior year. Hotel taxes (transient occupancy) increased by \$803.4 thousand, or 95%, reflecting the start of a rebound in the local hospitality industry.

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 37% of the City's total net position and showed an increase over prior year.

- Program revenues decreased by 3% primarily due to the decrease in water connections and less sewer usage charges due to decrease in commercial accounts.
- Expenses increased by 13% primarily due to the increase in cost for purchase of water and sewer treatment processing, increase in cost of utilities and emergency repairs to both Utility and Marina operations.

FINANCIAL ANALYSIS OF GOVERNMENTAL AND PROPRIETARY 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, 2022, the City's Governmental Funds reported combined Fund Balances of \$24.2 million, an increase of \$1.04 million compared to last year.

Revenues from Governmental Funds decreased by \$5.7 million, or 18%, from the prior year for a total of \$25.9 million, primarily due to the decrease in Sales Tax when compared to the one-year spike from the prior year. Whereas Governmental Fund expenditures increased by \$4.5 million for a total of \$31.1 million, primarily due to a capital outlay for a building in the amount of \$4.3 million.

General Fund – The General Fund ended the year with a fund balance of \$15.2 million. Of this amount, \$3.8 million is nonspendable including: Encumbrances, Advances to Other Funds, and Loans Receivables. The Unassigned portion of the Fund Balance is \$9.4 million. The General Fund’s reserves still exceed the Council’s policy of 50% of its expenditures in reserves.

The City’s tax revenues decreased by \$1.2 million, or 8%, over prior year, including a decrease of \$256 thousand in property taxes and a decrease in \$1.9 million in sales taxes. Although secured property taxes grew by \$255.9 thousand, or 7%, the excess funds returned to the City from the state’s Educational Revenue Augmentation Fund (ERAF) decreased by \$502.5 thousand. The property tax increase reflected the continued growth in Sierra Point Parkway as well as home sales and remodeling projects. Sales taxes decreased primarily due to the one-year spike from the prior year. In fiscal year 2021, the City enjoyed an increase in the county pool allocation as a result of businesses closing in surrounding cities during the initial response to COVID-19 and an increase in online sales for a Brisbane online retailer. The City’s county pool allocation resumed to pre-pandemic levels in fiscal year 2022, and the same online retailer moved out of Brisbane, thus decreasing sales taxes overall. The transient occupancy tax saw an increase from prior year in the amount of \$803 thousand, but not yet to pre-pandemic levels. The decrease of licenses, permits and fees of \$1.4 million, was due to the combination of the previous year providing an increase in permits for development projects, prior year increase in collections on the liquid storage business tax after the resolution of the related legal matter, a decrease in current year business license taxes as businesses closed and the related tax was based on pandemic-year revenue, and the cancellation of many park and recreation activities due to COVID-19.

General Fund expenditures increased by \$7.3 million thousand primarily due to a capital outlay of \$4.3 million to purchase a building on Old County Road for future use. Other departmental costs increased including increases in Planning activity and support to address the commercial developments at Sierra Point, increase in costs of goods, services, and salary costs in response to COVID-19 and supply chain disruptions, and increase in utility costs.

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. In fiscal year 2022, this fund sold four parcels of land for the total amount of \$2.2 million.

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 \$3.2 million. This was a decrease of \$2.3 million as a combination of the decrease in demand for water purchases and sewer treatment due to commercial temporary closures in response to COVID-19 and the increase in cost of water purchases and sewer treatment.

Marina Fund – Fiscal year 2021/22 saw operating income slightly decrease by \$36 thousand as berth rentals usage of live-aboard fees essentially remained steady. Operating expenses increased by 25% or \$330 thousand primarily due to emergency repairs and an increase in cost of utilities.

GENERAL FUND BUDGETARY HIGHLIGHTS

At mid-year, revenue estimates were adjusted by \$1.4 million for anticipated increases in sales taxes as the first two quarters of taxes came in higher than projected; licenses, permits and fees and charges for services were also increased as the impact of COVID-19 better understood. At mid-year, expense estimates were increased \$434 thousand to reflect the anticipated increase in plan checking and building permit work, and unexpected legal expenses related to the federal high-speed rail project. Originally, we projected the use of \$3.2 million from reserves (fund balance) to balance the budget. The estimated reduction to fund balance was reduced to \$2.6 million at mid-year. The actual revenue exceeded the final budget by \$1.6 million and expenses exceeded the final budget by \$5.9 million leaving a decrease to fund balance of \$2.3 million.

CAPITAL ASSETS

The City of Brisbane's investment in capital assets for its governmental and business-type activities as of June 30, 2022, amounts to \$100.5 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 \$4.3 million. This reflects the purchase of a vacant building and the increase of construction in progress for various utility projects.

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

- Purchase of property and vacant building for future use
- Improvements to Dog Park
- Concrete pads for Shuttle Stop
- Significant retrofits of SPLI Irrigation Systems
- Additional improvements to the new Library
- Upgrades to Community Center A/V system

Capital Assets As of June 30, (in thousands)

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------|----------------------------|------------------|-----------------------------|------------------|-------------------|------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Non-depreciable assets: | | | | | | |
| Land and artwork | \$ 16,722 | \$ 14,488 | \$ 648 | \$ 648 | \$ 17,370 | \$ 15,135 |
| Construction in progress | 11,328 | 10,436 | 4,130 | 3,902 | 15,458 | 14,338 |
| Total non-depreciable assets | 28,050 | 24,923 | 4,778 | 4,550 | 32,828 | 29,473 |
| Depreciable assets: | | | | | | |
| 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 | 4,891 | 4,929 | 859 | 859 | 5,750 | 5,788 |
| Right-to-use leased property | 3,152 | 3,152 | - | - | 3,152 | 3,152 |
| Infrastructure | 31,758 | 31,758 | 32,245 | 32,245 | 64,003 | 64,003 |
| Total depreciable assets | 63,672 | 63,710 | 54,940 | 54,940 | 118,612 | 118,650 |
| Less accumulated depreciation | (24,383) | (22,906) | (26,541) | (25,829) | (50,925) | (48,736) |
| Total depreciable assets, net | 39,288 | 40,803 | 28,399 | 29,111 | 67,687 | 69,914 |
| Total capital assets | \$ 67,338 | \$ 65,727 | \$ 33,177 | \$ 33,661 | \$ 100,515 | \$ 99,388 |

Additional information on the City of Brisbane's capital assets can be found in Note 6 on pages 49-51 of this report.

DEBT ADMINISTRATION

Long-term debt. At the end of the current fiscal year, the City had total debt outstanding of \$22.3 million. Of this amount, \$4.8 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 | |
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Pension obligation bonds | \$ 382 | \$ 736 | \$ - | \$ - | \$ 382 | \$ 736 |
| Direct Borrowing | \$ 4,355 | | | | 4,355 | - |
| Revenue bonds | 6,148 | 6,626 | 8,340 | 9,130 | 14,488 | 15,756 |
| Energy conservation loan | 49 | 63 | | | 49 | 63 |
| Capital lease | 3,024 | - | - | 2 | 3,024 | 2 |
| Total | \$ 13,957 | \$ 7,425 | \$ 8,340 | \$ 9,132 | \$ 22,297 | \$ 16,557 |

The total debt increased by \$5.7 million during the current fiscal year. The City did take on new debt during this current fiscal year to fund the purchase of property.

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 52-58.

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 works together 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 amended 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 requires the preparation of a Specific Plan for the 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 and adequate water supply; and incorporate sustainable principles. The developer has prepared and submitted a draft Specific Plan to the City. The City is preparing an environmental impact (EIR) for the Specific Plan. A Development Agreement between the Developer and the City will also be prepared and considered with the Specific Plan. 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 at Sierra Point that have been purchased by developers and developments are at different stages. One site contains a five-building life science complex -- construction began in FY17/18 and the development is largely complete, with all five buildings being occupied under temporary occupancy approvals, with final permits expected by late 2023. A second site contains a three-building life science campus scheduled to complete construction on the third building by the end of 2023. Several additional sites were purchased by a developer who is proposing to construct additional buildings for life science. The environmental review process has been initiated and the related proposal is expected to be reviewed by the City Planning Commission and City Council in 2024. The owner of the last undeveloped site at Sierra Point has filed an application to construct a hotel/life science complex. An environmental review is under preparation, and public hearings are expected to commence in late 2023 or early 2024.

In the November 2019 election, the City voters approved an increase in its business license tax collections with several initiatives 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. In January 2020, City Council established business license tax rates to be imposed on cannabis businesses in anticipation of growth in this industry within City limits.

The City made strategic decisions in response to the recession of the late 2000s that helped the City manage through the economic impact of COVID-19. This included establishing several reserves to set aside funds for specific long-term programs and unexpected expenditures to avoid significant impact to the General Fund for one-time or emergency events. Although the COVID-19 pandemic impacted every section of the state and local economy, the City continues to see increases in revenues, including sales taxes and property taxes, and is well-positioned to tap into established reserves as needed.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

The Annual Comprehensive 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.

| |
|---|
| <p style="text-align: center;">STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES</p> |
|---|

The Statement of Net Position 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, 2022

| | Governmental Activities | Business-Type Activities | Total |
|--|----------------------------|-----------------------------|--------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments available for operations (Note 3) | \$24,826,688 | \$7,646,955 | \$32,473,643 |
| Restricted cash and investments (Note 3) | 1,393,560 | | 1,393,560 |
| Accounts receivable | 1,487,733 | 1,145,358 | 2,633,091 |
| Taxes receivable | 1,710,256 | 425 | 1,710,681 |
| Internal balance (Note 4D) | 371,320 | (371,320) | |
| Accrued interest | 59,021 | 20,327 | 79,348 |
| Prepays | 4,868 | | 4,868 |
| Noncurrent assets: | | | |
| Loans receivable, net (Note 5) | 3,401,692 | 2,297,042 | 5,698,734 |
| Capital assets (Note 6): | | | |
| Non-depreciable | 28,049,582 | 4,778,260 | 32,827,842 |
| Depreciable, net | 39,288,466 | 28,398,888 | 67,687,354 |
| Total Assets | 100,593,186 | 43,915,935 | 144,509,121 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related deferred outflows (Note 9) | 9,916,837 | 249,193 | 10,166,030 |
| OPEB related deferred outflows (Note 10) | 1,316,130 | 364,141 | 1,680,271 |
| Total Deferred Outflows of Resources | 11,232,967 | 613,334 | 11,846,301 |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 1,439,043 | 789,015 | 2,228,058 |
| Accrued payroll | 518,366 | 57,686 | 576,052 |
| Interest payable | 48,821 | 90,551 | 139,372 |
| Deposits | 1,763,401 | 205,328 | 1,968,729 |
| Claims payable - due within one year (Note 12) | 334,266 | | 334,266 |
| Compensated absences - due within one year (Note 1F) | 356,931 | 20,338 | 377,269 |
| Long-term debt - due within one year (Note 7) | 1,140,167 | 817,000 | 1,957,167 |
| Unearned revenue | 527,901 | 716,346 | 1,244,247 |
| Noncurrent liabilities: | | | |
| Claims payable - due in more than one year (Note 12) | 759,001 | | 759,001 |
| Compensated absences - due in more than one year (Note 1F) | 1,070,791 | 61,014 | 1,131,805 |
| Net pension liability (Note 9) | 15,952,706 | 435,966 | 16,388,672 |
| Net OPEB liability (Note 10) | 3,303,607 | 723,259 | 4,026,866 |
| Long-term debt - due in more than one year (Note 7) | 12,817,295 | 7,523,000 | 20,340,295 |
| Total Liabilities | 40,032,296 | 11,439,503 | 51,471,799 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related deferred inflows (Note 9) | 14,292,838 | 719,082 | 15,011,920 |
| OPEB related deferred inflows (Note 10) | 2,474,642 | 416,712 | 2,891,354 |
| Total Deferred Inflows of Resources | 16,767,480 | 1,135,794 | 17,903,274 |
| NET POSITION (Note 8) | | | |
| Net investment in capital assets | 53,734,586 | 27,057,148 | 80,791,734 |
| Restricted for: | | | |
| Pension and employee benefits program | 1,224,830 | | 1,224,830 |
| Capital projects | 3,590,181 | 758,885 | 4,349,066 |
| Debt service | 1,190,812 | | 1,190,812 |
| Specific projects and programs | 7,856,286 | | 7,856,286 |
| Total Restricted Net Position | 13,862,109 | 758,885 | 14,620,994 |
| Unrestricted | (12,570,318) | 4,137,939 | (8,432,379) |
| Total Net Position | \$55,026,377 | \$31,953,972 | \$86,980,349 |

See accompanying notes to financial statements

CITY OF BRISBANE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

| 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 | \$8,694,315 | \$8,339,157 | \$863,005 | | \$507,847 | | \$507,847 |
| Public safety - police | 6,107,738 | 130,962 | 350,471 | | (5,626,305) | | (5,626,305) |
| Public safety - fire | 5,762,775 | 1,063,288 | | | (4,699,487) | | (4,699,487) |
| Public works | 4,266,780 | 465,616 | | | (3,801,164) | | (3,801,164) |
| Parks and recreation | 2,648,182 | 666,011 | | | (1,982,171) | | (1,982,171) |
| Interest on long-term debt | 185,243 | | | | (185,243) | | (185,243) |
| Total Governmental Activities | 27,665,033 | 10,665,034 | 1,213,476 | | (15,786,523) | | (15,786,523) |
| Business-type Activities: | | | | | | | |
| Water | 2,216,400 | 2,293,415 | | | | \$77,015 | 77,015 |
| Sewer | 2,575,278 | 1,361,704 | | | | (1,213,574) | (1,213,574) |
| Guadalupe Valley Municipal Improvement District | 2,709,886 | 1,817,667 | | | | (892,219) | (892,219) |
| Marina | 1,647,439 | 2,303,412 | | | | 655,973 | 655,973 |
| Total Business-type Activities | 9,149,003 | 7,776,198 | | | | (1,372,805) | (1,372,805) |
| Total Primary Government | \$36,814,036 | \$18,441,232 | \$1,213,476 | | (\$15,786,523) | (\$1,372,805) | (\$17,159,328) |
| General revenues: | | | | | | | |
| Taxes: | | | | | | | |
| Property taxes | | | | | \$5,257,422 | \$35,190 | \$5,292,612 |
| Sales taxes | | | | | 5,791,875 | | 5,791,875 |
| Transient occupancy tax | | | | | 1,653,196 | | 1,653,196 |
| Other taxes | | | | | 1,634,515 | | 1,634,515 |
| Miscellaneous revenues | | | | | 33,258 | | 33,258 |
| Investment earnings | | | | | (425,523) | (401,030) | (826,553) |
| Developer Contributions | | | | | | 60,000 | 60,000 |
| Transfers (Note 4C) | | | | | 15,545 | (15,545) | |
| Total general revenues and transfers | | | | | 13,960,288 | (321,385) | 13,638,903 |
| Change in Net Position | | | | | (1,826,235) | (1,694,190) | (3,520,425) |
| Net Position-Beginning | | | | | 56,852,612 | 33,648,162 | 90,500,774 |
| Net Position-Ending | | | | | \$55,026,377 | \$31,953,972 | \$86,980,349 |

See accompanying notes to financial statements

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| |
|----------------------------------|
| FUND FINANCIAL STATEMENTS |
|----------------------------------|

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 2022. 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, 2022

| | General Fund | Low/Mod Income Housing Asset Special Revenue Fund | Capital Projects Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|---------------------|--|--------------------------|------------------------------------|--------------------------------|
| ASSETS | | | | | |
| Cash and investments (Note 3) | \$6,696,243 | \$4,461,860 | | \$11,092,246 | \$22,250,349 |
| Restricted cash and investments (Note 3) | 1,224,830 | | | | 1,224,830 |
| Accounts receivable, net | 828,049 | | | 558,701 | 1,386,750 |
| Interest receivable | 27,656 | 5,411 | | 20,796 | 53,863 |
| Taxes receivable | 1,675,932 | | | 34,324 | 1,710,256 |
| Prepays | 4,868 | | | | 4,868 |
| Due from other funds (Note 4A) | 3,906,853 | | | | 3,906,853 |
| Loans receivable (Note 5) | 518,750 | 2,882,942 | | | 3,401,692 |
| Advances to other funds (Note 4B) | 3,228,659 | | | | 3,228,659 |
| Total Assets | <u>\$18,111,840</u> | <u>\$7,350,213</u> | <u></u> | <u>\$11,706,067</u> | <u>\$37,168,120</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$798,464 | | \$290,844 | \$177,399 | \$1,266,707 |
| Accrued payroll | 421,675 | | | 10,567 | 432,242 |
| Due to other funds (Note 4A) | | | 3,232,455 | 22,135 | 3,254,590 |
| Deposits payable | 1,691,411 | | 14,395 | 57,595 | 1,763,401 |
| Interest payable | | | 7,456 | | 7,456 |
| Advances from other funds (Note 4B) | | | 2,857,339 | | 2,857,339 |
| Unearned revenue | | | | 527,901 | 527,901 |
| Total Liabilities | <u>2,911,550</u> | <u></u> | <u>6,402,489</u> | <u>795,597</u> | <u>10,109,636</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue - loan receivable | | \$2,882,942 | | | 2,882,942 |
| Total Deferred Inflows of Resources | | <u>2,882,942</u> | <u></u> | <u></u> | <u>2,882,942</u> |
| FUND BALANCES (Note 8) | | | | | |
| Nonspendable | 3,752,277 | | | | 3,752,277 |
| Restricted | 1,224,830 | 4,467,271 | | 5,774,300 | 11,466,401 |
| Assigned | 841,666 | | | 5,258,508 | 6,100,174 |
| Unassigned | 9,381,517 | | (6,402,489) | (122,338) | 2,856,690 |
| Total Fund Balances (Deficit) | <u>15,200,290</u> | <u>4,467,271</u> | <u>(6,402,489)</u> | <u>10,910,470</u> | <u>24,175,542</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$18,111,840</u> | <u>\$7,350,213</u> | <u></u> | <u>\$11,706,067</u> | <u>\$37,168,120</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, 2022

| | |
|--|--------------|
| Total fund balances reported on the Governmental Funds Balance Sheet | \$24,175,542 |
|--|--------------|

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 | 67,338,048 |
|---|------------|

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 | 2,745,069 |
| Accounts and interest receivable | 106,141 |
| Accounts payable and accrued liabilities | (172,336) |
| Accrued payroll | (86,124) |
| Due to other funds | (652,263) |
| Accrued claims payable | (1,093,267) |

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 |
|---|-----------|

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 asset, liability, deferred outflows and deferred inflows | (20,328,707) |
| Long-term debt | (13,957,462) |
| Net OPEB liability, deferred outflows and deferred inflows | (4,462,119) |
| Compensated absences | (1,427,722) |
| Interest payable | (40,875) |

| | |
|---|----------------------------|
| NET POSITION OF GOVERNMENTAL ACTIVITIES | <u><u>\$55,026,377</u></u> |
|---|----------------------------|

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, 2022

| | 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 | \$13,709,682 | | | \$974,754 | \$14,684,436 |
| Intergovernmental | 222,090 | | | 931,856 | 1,153,946 |
| Licenses, permits and fees | 5,229,061 | | \$411,898 | 2,303 | 5,643,262 |
| Charges for services | 3,380,168 | | | | 3,380,168 |
| Fines and forfeitures | 110,229 | | | | 110,229 |
| Use of money and property | (253,521) | (\$26,347) | 42,207 | (99,991) | (337,652) |
| Other revenues | 813,490 | | | 402,705 | 1,216,195 |
| Total Revenues | 23,211,199 | (26,347) | 454,105 | 2,211,627 | 25,850,584 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 8,406,365 | | | 81,113 | 8,487,478 |
| Public safety - police | 5,287,367 | | | | 5,287,367 |
| Public safety - fire | 4,516,591 | | | | 4,516,591 |
| Public works | 2,846,855 | 196,655 | | 1,038,308 | 4,081,818 |
| Parks and recreation | 2,455,019 | | | | 2,455,019 |
| Capital outlay | 4,272,494 | | 847,459 | 4,709 | 5,124,662 |
| Debt service: | | | | | |
| Principal | 13,614 | | | 832,333 | 845,947 |
| Interest and fiscal charges | 101,598 | | 3,458 | 212,674 | 317,730 |
| Total Expenditures | 27,899,903 | 196,655 | 850,917 | 2,169,137 | 31,116,612 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (4,688,704) | (223,002) | (396,812) | 42,490 | (5,266,028) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from long term debt | 4,355,000 | | | | 4,355,000 |
| Proceeds from sales of capital assets | | 2,200,008 | | | 2,200,008 |
| Transfers in (Note 4C) | 161,603 | | 373,685 | 1,915,472 | 2,450,760 |
| Transfers (out) (Note 4C) | (2,163,747) | | | (535,288) | (2,699,035) |
| Total Other Financing Sources (Uses) | 2,352,856 | 2,200,008 | 373,685 | 1,380,184 | 6,306,733 |
| NET CHANGES IN FUND BALANCES | (2,335,848) | 1,977,006 | (23,127) | 1,422,674 | 1,040,705 |
| BEGINNING FUND BALANCES | 17,536,138 | 2,490,265 | (6,379,362) | 9,487,796 | 23,134,837 |
| ENDING FUND BALANCES | \$15,200,290 | \$4,467,271 | (\$6,402,489) | \$10,910,470 | \$24,175,542 |

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, 2022

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 | \$1,040,705 |
|--|-------------|

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 | 3,088,190 |
| Depreciation expense is deducted from the fund balance | (1,476,830) |

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.

| | |
|--|-------------|
| Proceeds from loans | (4,355,000) |
| Repayments of debt principal and interest are added back to fund balance | 974,779 |
| Pension related expenses | (958,053) |
| OPEB related expenses | 353,199 |

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):

| | |
|------------------------------------|----------|
| Accrued interest on long-term debt | 3,655 |
| Compensated absences | (96,316) |

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 | (400,564) |
|---|-----------|

| | |
|---|----------------------|
| CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES | <u>(\$1,826,235)</u> |
|---|----------------------|

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 2022.

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, 2022

| | Business-type Activities-Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|--|---|-------------|--------------|--|
| | Utility | Marina | Totals | |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and investments (Note 3) | \$5,350,060 | \$2,296,895 | \$7,646,955 | \$2,576,339 |
| Restricted cash and investments (Note 3) | | | | 168,730 |
| Accounts receivable, net | 1,079,153 | 66,205 | 1,145,358 | 100,983 |
| Taxes receivable | 425 | | 425 | |
| Interest receivable | 12,091 | 8,236 | 20,327 | 5,158 |
| Total Current Assets | 6,441,729 | 2,371,336 | 8,813,065 | 2,851,210 |
| Noncurrent Assets: | | | | |
| Loans receivable (Note 5) | | 2,297,042 | 2,297,042 | |
| Capital assets (Note 6) | | | | |
| Non-depreciable | 4,778,210 | 50 | 4,778,260 | |
| Depreciable, net | 22,792,674 | 5,606,214 | 28,398,888 | |
| Total Noncurrent Assets | 27,570,884 | 7,903,306 | 35,474,190 | |
| Total Assets | 34,012,613 | 10,274,642 | 44,287,255 | 2,851,210 |
| DEFERRED OUTFLOWS | | | | |
| Deferred outflows related to pensions (Note 9) | 172,170 | 77,023 | 249,193 | |
| Deferred outflows related to OPEB (Note 10) | 82,801 | 281,340 | 364,141 | |
| Total Deferred Outflows | 254,971 | 358,363 | 613,334 | |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable | 743,436 | 45,579 | 789,015 | 172,336 |
| Due to other funds (Note 4A) | | | | 652,263 |
| Accrued payroll | 44,029 | 13,657 | 57,686 | 86,124 |
| Interest payable | 76,361 | 14,190 | 90,551 | 490 |
| Accrued claims payable (Note 12) | | | | 334,266 |
| Compensated absences (Note 1F) | 15,225 | 5,113 | 20,338 | |
| Bonds payable due within one year (Note 7) | 400,000 | 417,000 | 817,000 | |
| Deposits | 18,429 | 186,899 | 205,328 | |
| Unearned revenue | 716,346 | | 716,346 | |
| Total Current Liabilities | 2,013,826 | 682,438 | 2,696,264 | 1,245,479 |
| Noncurrent Liabilities: | | | | |
| Compensated absences due in more than one year (Note 1F) | 45,676 | 15,338 | 61,014 | |
| Accrued claims payable (Note 12) | | | | 759,001 |
| Advances from other funds (Note 4B) | | 371,320 | 371,320 | |
| Bonds payable due in more than one year (Note 7) | 5,720,000 | 1,803,000 | 7,523,000 | |
| Net pension liability (Note 9) | 301,213 | 134,753 | 435,966 | |
| Net OPEB liability (Note 10) | 164,454 | 558,805 | 723,259 | |
| Total Noncurrent Liabilities | 6,231,343 | 2,883,216 | 9,114,559 | 759,001 |
| Total Liabilities | 8,245,169 | 3,565,654 | 11,810,823 | 2,004,480 |
| DEFERRED INFLOWS | | | | |
| Deferred inflows related to pensions (Note 9) | 496,820 | 222,262 | 719,082 | |
| Deferred inflows related to OPEB (Note 10) | 94,752 | 321,960 | 416,712 | |
| Total Deferred Inflows | 591,572 | 544,222 | 1,135,794 | |
| NET POSITION (Note 8) | | | | |
| Net investment in capital assets | 21,450,884 | 5,606,264 | 27,057,148 | |
| Restricted for capital projects | 758,885 | | 758,885 | |
| Unrestricted | 3,221,074 | 916,865 | 4,137,939 | 846,730 |
| Total Net Position | \$25,430,843 | \$6,523,129 | \$31,953,972 | \$846,730 |

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, 2022

| | Business-type Activities-Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|--|---|-------------|--------------|--|
| | Utility | Marina | Totals | |
| OPERATING REVENUES | | | | |
| Charges for services | \$5,453,279 | \$2,298,911 | \$7,752,190 | \$1,947,498 |
| Other revenues | 19,507 | 4,501 | 24,008 | 12,363 |
| Total Operating Revenues | 5,472,786 | 2,303,412 | 7,776,198 | 1,959,861 |
| OPERATING EXPENSES | | | | |
| Cost of sales and services | 3,829,613 | 586,879 | 4,416,492 | 24,835 |
| General and administrative | 3,072,994 | 945,513 | 4,018,507 | 2,069,447 |
| Depreciation | 597,065 | 115,047 | 712,112 | |
| Other expenses | 1,892 | | 1,892 | 502,632 |
| Total Operating Expenses | 7,501,564 | 1,647,439 | 9,149,003 | 2,596,914 |
| Operating Income (Loss) | (2,028,778) | 655,973 | (1,372,805) | (637,053) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Taxes and assessments | 35,190 | | 35,190 | |
| Investment income | (61,173) | (26,583) | (87,756) | (27,331) |
| Interest expense | (236,607) | (76,667) | (313,274) | |
| Total Nonoperating Revenues (Expenses) | (262,590) | (103,250) | (365,840) | (27,331) |
| Income (Loss) Before Contributions and Transfers | (2,291,368) | 552,723 | (1,738,645) | (664,384) |
| Developer Contributions | 60,000 | | 60,000 | |
| Transfers in (Note 4C) | 48,275 | | 48,275 | 263,820 |
| Transfers out (Note 4C) | (58,228) | (5,592) | (63,820) | |
| Net transfers | 50,047 | (5,592) | 44,455 | 263,820 |
| Change in net position | (2,241,321) | 547,131 | (1,694,190) | (400,564) |
| BEGINNING NET POSITION | 27,672,164 | 5,975,998 | 33,648,162 | 1,247,294 |
| ENDING NET POSITION | \$25,430,843 | \$6,523,129 | \$31,953,972 | \$846,730 |

See accompanying notes to financial statements

CITY OF BRISBANE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2022

| | Business-type Activities-Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|---|---|-------------|---------------|--|
| | Utility | Marina | Totals | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from customers | \$5,470,374 | \$2,307,478 | \$7,777,852 | \$1,952,860 |
| Cash payments to suppliers | (6,937,019) | (1,576,881) | (8,513,900) | (2,324,091) |
| Cash Flows from Operating Activities | (1,466,645) | 730,597 | (736,048) | (371,231) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Taxes and assessments | 35,301 | | 35,301 | |
| Due to other funds | | | | 218,442 |
| Advances from other funds | | 27,745 | 27,745 | |
| Transfers in | 48,275 | | 48,275 | 263,820 |
| Transfers (out) | (58,228) | (5,592) | (63,820) | |
| Cash Flows from Noncapital Financing Activities | 25,348 | 22,153 | 47,501 | 482,262 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Acquisition of property, plant and equipment | (228,387) | | (228,387) | |
| Principal payment of debt | (385,000) | (407,326) | (792,326) | |
| Interest paid | (242,542) | (77,260) | (319,802) | |
| Developer contributions | 60,000 | | 60,000 | |
| Cash Flows from Capital and Related Financing Activities | (795,929) | (484,586) | (1,280,515) | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest paid | | | | 1,883 |
| Investment income receipts | (69,604) | (32,542) | (102,146) | (32,829) |
| Cash Flows from Investing Activities | (69,604) | (32,542) | (102,146) | (30,946) |
| Net Cash Flows | (2,306,830) | 235,622 | (2,071,208) | 80,085 |
| Cash and investments at beginning of period | 7,656,890 | 2,061,273 | 9,718,163 | 2,664,984 |
| Cash and investments at end of period | \$5,350,060 | \$2,296,895 | \$7,646,955 | \$2,745,069 |
| Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities: | | | | |
| Operating income (Loss) | (\$2,028,778) | \$655,973 | (\$1,372,805) | (\$637,053) |
| Adjustments to reconcile operating income (Loss) to cash flows from operating activities: | | | | |
| Depreciation | 597,065 | 115,047 | 712,112 | |
| Change in assets, deferred outflows, liabilities and deferred inflows: | | | | |
| Accounts receivable | (2,412) | 4,066 | 1,654 | 14,693 |
| Accounts payable and accrued liabilities | 44,251 | 13,000 | 57,251 | (61,276) |
| Accrued payroll | 7,428 | (2,974) | 4,454 | 43,492 |
| Accrued claims payable | | | | 268,913 |
| Compensated absences | (9,583) | (4,494) | (14,077) | |
| Deposits | (4,250) | (7,981) | (12,231) | |
| Unearned revenue | | | | |
| Net pension liability, deferred inflows and deferred outflows | (62,401) | (14,977) | (77,378) | |
| Net OPEB liability, deferred inflows and deferred outflows | (7,965) | (27,063) | (35,028) | |
| Cash Flows from Operating Activities | (\$1,466,645) | \$730,597 | (\$736,048) | (\$371,231) |

See accompanying notes to financial statements

| |
|------------------------|
| FIDUCIARY FUNDS |
|------------------------|

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 2022:

Private Purpose Trust Fund

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

Custodial 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 a custodial 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, 2022

| | Successor Agency Private-Purpose Trust Fund | Custodial Funds |
|--|---|----------------------|
| ASSETS | | |
| Cash and investments (Note 3) | | \$1,788,301 |
| Restricted cash and investments (Note 3) | \$2,477,075 | |
| Accounts receivable, net | | 112,957 |
| Interest receivable | | 2,407 |
| Taxes receivable | 2,240 | |
| | <u>2,479,315</u> | <u>1,903,665</u> |
| Total Assets | | |
| DEFERRED OUTFLOW OF RESOURCES | | |
| Deferred charges on refunding (Note 15C) | 1,206,554 | |
| | <u>1,206,554</u> | |
| Total Deferred Outflow of Resources | | |
| LIABILITIES | | |
| Accounts payable | | 50,388 |
| Deposits payable | | 3,252,370 |
| Interest payable | 114,109 | |
| Loans payable to City (Note 15B) | 2,295,996 | |
| Long Term Debt (Note 15B): | | |
| Due within one year | 1,510,000 | |
| Due in more than one year | 5,105,000 | |
| | <u>9,025,105</u> | <u>3,302,758</u> |
| Total Liabilities | | |
| NET POSITION | | |
| Restricted for: | | |
| Held in trust for private-purpose | (5,339,236) | |
| Organizations and other governments | | (1,399,093) |
| | <u>(\$5,339,236)</u> | <u>(\$1,399,093)</u> |
| Total Net Position | | |

See accompanying notes to financial statements

CITY OF BRISBANE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

| | Successor Agency Private-Purpose Trust Fund | Custodial Funds |
|----------------------------------|---|--------------------|
| | <hr/> | <hr/> |
| ADDITIONS | | |
| Investment income | (\$10) | (\$181) |
| Other revenue | 2,316,069 | 323,688 |
| | <hr/> | <hr/> |
| Total additions | 2,316,059 | 323,507 |
| | <hr/> | <hr/> |
| DEDUCTIONS | | |
| General government | 20,000 | |
| Interest and fiscal charges | 561,981 | |
| Professional services | 2,000 | 545,206 |
| Payments to bondholders | | 12,500 |
| | <hr/> | <hr/> |
| Total deductions | 583,981 | 557,706 |
| | <hr/> | <hr/> |
| CHANGES IN NET POSITION | 1,732,078 | (234,199) |
| | <hr/> | <hr/> |
| BEGINNING NET POSITION (DEFICIT) | (7,071,314) | (1,164,894) |
| | <hr/> | <hr/> |
| ENDING NET POSITION (DEFICIT) | (\$5,339,236) | (\$1,399,093) |
| | <hr/> <hr/> | <hr/> <hr/> |

See accompanying notes to financial statements

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CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
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| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES |
|--|

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, 2022

| |
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| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
|--|

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 non-exchange transactions or ancillary activities.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
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| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
|--|

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 types.

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 custodial 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. The Custodial 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, 2022

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
|--|

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, 2022

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 Statements and the Fund Financial Statements.

The change in compensated absences was as follows at June 30, 2022:

| | Governmental Activities | Business-Type Activities | Total |
|---------------------|----------------------------|-----------------------------|--------------------|
| Beginning Balance | \$1,331,406 | \$95,429 | \$1,426,835 |
| Additions | 641,448 | 31,877 | 673,325 |
| Payments | (545,132) | (45,954) | (591,086) |
| Ending Balance | <u>\$1,427,722</u> | <u>\$81,352</u> | <u>\$1,509,074</u> |
| Current Portion | <u>\$356,931</u> | <u>\$20,338</u> | <u>\$377,269</u> |
| Non-current Portion | <u>\$1,070,791</u> | <u>\$61,014</u> | <u>\$1,131,805</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, 2022

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
|--|

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 assets 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 assets 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 Public Agency Retirement Services (PARS) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. 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/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 benefits 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, 2022

| |
|--|
| NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued) |
|--|

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.

M. New Governmental Accounting Standards Board Statement Implementation

GASB 87 – Leases

In June 2017, GASB issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The provisions of this Statement were implemented during fiscal year 2022.

| |
|--|
| NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING |
|--|

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).

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|--|
| NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued) |
|--|

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, Contract Employees, Tree Plant and Habitat Conservation 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, 2022, 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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

C. Expenditures in Excess of Appropriations

The following funds had expenditures in excess of appropriations:

| Fund | Amount |
|---|---------------|
| General Fund | (\$5,987,360) |
| Special Revenue Funds: | |
| Low and Moderate Income Housing Asset | (196,655) |
| ARPA | (24,000) |
| Debt Service Fund: | |
| 2006 Pension Obligation Bonds | (303) |
| 2013 Pension Side Fund Bonds | (153,911) |
| Brisbane-Guadalupe Valley Municipal Improvement | |
| District Public Financing Authority | (2,151) |
| 2018 Library Construction Loan | (94,958) |

The funds had sufficient fund balances or revenues to finance these expenditures.

NOTE 3 – CASH & INVESTMENTS

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, 2022, 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 | \$32,473,643 |
| Restricted cash and investments with fiscal agent | 1,393,560 |
| Total City Cash and Investments | <u>33,867,203</u> |
| Cash and investments in Fiduciary Funds | 1,788,301 |
| Restricted cash and investments in Fiduciary Funds | 2,477,075 |
| Total Fiduciary Cash and Investments | <u>4,265,376</u> |
| Total Cash and Investments | <u><u>\$38,132,579</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, 2022

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.

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality | Maximum Allowed in Portfolio | Maximum Investment in One Issuer |
|---|------------------|------------------------|------------------------------|----------------------------------|
| California Local Agency Investment Fund | N/A | None | None | \$75 million |
| Negotiable Certificates of Deposit | 5 years | None | 30% | 15% |
| Time Certificates of Deposit | N/A | None | 30% | 15% |
| Bankers Acceptances | 180 days | None | 40% | 15% |
| Commercial Paper | 270 days | A-1 | 25% | 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 | A | 30% | 15% |
| Mutual Funds | 5 years | None | 20% | 15% |

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:

| Authorized Investment Type | Maximum Maturity | Minimum Credit Quality |
|---|------------------|------------------------|
| 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 | 270 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 |

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

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 Farm Credit Banks | | \$979,360 | | \$979,360 |
| Federal Home Loan Banks | | 4,867,560 | \$2,958,040 | 7,825,600 |
| Time Certificates of Deposit: | | | | |
| Goldman Sachs Bank | \$246,688 | | | 246,688 |
| Comenity Bank | | 243,538 | | 243,538 |
| Morgan Stanley Bank | | 243,459 | | 243,459 |
| Money Market Mutual Funds | 4,984,468 | | | 4,984,468 |
| Local Agency Investment Fund | 18,652,165 | | | 18,652,165 |
| Total Investments | <u>\$23,883,321</u> | <u>\$6,333,917</u> | <u>\$2,958,040</u> | 33,175,278 |
| | | | Cash in banks and on hand | <u>4,957,301</u> |
| | | | Total Cash and Investments | <u><u>\$38,132,579</u></u> |

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, 2022, for each investment type:

| Investment Type | Aaa/AAAm | Not Rated | Total |
|---|---------------------|---------------------|----------------------------|
| Securities of U.S. Government Treasury and Agencies | | | |
| Federal Farm Credit Banks | \$979,360 | | \$979,360 |
| Federal Home Loan Banks | 7,825,600 | | 7,825,600 |
| Money Market Mutual Funds | 4,984,468 | | 4,984,468 |
| Local Agency Investment Fund | | \$18,652,165 | 18,652,165 |
| Time Certificates of Deposit | | 733,685 | 733,685 |
| Total Investments | <u>\$13,789,428</u> | <u>\$19,385,850</u> | 33,175,278 |
| Cash in banks and on hand | | | <u>4,957,301</u> |
| Total Cash and Investments | | | <u><u>\$38,132,579</u></u> |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|--|
| NOTE 3 – CASH AND INVESTMENTS (Continued) |
|--|

F. 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.

G. Local Agency Investment Fund

The City is a 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, 2022, these investments matured in an average of 311 days.

H. 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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 3 – CASH AND INVESTMENTS (Continued)

I. Fair Value Hierarchy

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.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2022:

| | Level 2 | Total |
|---|--------------------|---------------------|
| Investments by Fair Value Level: | | |
| Securities of U.S. Government Treasury and Agencies | \$8,804,960 | \$8,804,960 |
| Time Certificates of Deposit | 733,685 | 733,685 |
| Total | <u>\$9,538,645</u> | 9,538,645 |
| Investments Measured at Amortized Cost: | | |
| Money Market Mutual Funds | | 261,359 |
| Held by Trustee: | | |
| Money Market Mutual Funds | | 4,723,109 |
| Investments Exempt from Fair Value Hierarchy: | | |
| Local Agency Investment Fund | | <u>18,652,165</u> |
| Total Investments | | <u>\$33,175,278</u> |

Securities of the U.S. Government Agency's \$8.8 million and the Time Certificates of Deposits totaling \$1.8 million is 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.s

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, 2022, the City had the following due to/from other funds:

| | Due to Fund: | | | Amount |
|----------------|-----------------------|------------------------------|------------------------|--------------------|
| | Capital Projects Fund | Non-Major Governmental Funds | Internal Service Funds | |
| Due from Fund: | | | | |
| General Fund | \$3,232,455 | \$22,135 | \$652,263 | \$3,906,853 |
| Total | <u>\$3,232,455</u> | <u>\$22,135</u> | <u>\$652,263</u> | <u>\$3,906,853</u> |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 4 – INTERFUND TRANSACTIONS (Continued)

B. Advances To/From Other Funds

At June 30, 2022, the City had the following advances to/from other funds:

| From Fund: | To Fund: | | Amount |
|--------------|-----------------------|------------------------|--------------------|
| | Capital Projects Fund | Marina Enterprise Fund | |
| General Fund | \$2,857,339 | \$371,320 | \$3,228,659 |
| Total | <u>\$2,857,339</u> | <u>\$371,320</u> | <u>\$3,228,659</u> |

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. In fiscal year 2018, the City approved another advance from the General Fund to the Capital Improvement Fund in the amount of \$3,615,000. It was issued for the purpose of financing a new public library. The balance of the advance as of June 30, 2022 was \$2,857,339.

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, 2022 was \$371,320.

C. Transfers In/Out

The City had the following transfers in/out for the year ended June 30, 2022:

| | Transfers In | | | | | Total |
|------------------------------|------------------|-----------------------|------------------------------|-------------------------|-----------------------|--------------------|
| | General Fund | Capital Projects Fund | Non-Major Governmental Funds | Utility Enterprise Fund | Internal Service Fund | |
| Transfers Out | | | | | | |
| General Fund | | | \$1,915,472 | \$48,275 | \$200,000 | \$2,163,747 |
| Non-Major Governmental Funds | \$161,603 | \$373,685 | | | | 535,288 |
| Enterprise Fund: | | | | | | |
| Utility | | | | | 58,228 | 58,228 |
| Marina | | | | | 5,592 | 5,592 |
| Total | <u>\$161,603</u> | <u>\$373,685</u> | <u>\$1,915,472</u> | <u>\$48,275</u> | <u>\$263,820</u> | <u>\$2,762,855</u> |

Transfers out from the General Fund, Special Revenue Funds, Utility Enterprise Fund, and the Marina 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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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, 2022, the City had the following loans receivable:

| | Balance June 30, 2021 | Deletions | Balance June 30, 2022 |
|---|--------------------------|------------|--------------------------|
| Governmental Funds: | | | |
| 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 | 546,856 | | 546,856 |
| Total Governmental Funds | 3,401,692 | | 3,401,692 |
| Proprietary Funds: | | | |
| Loan to City Engineer/Director of Public Works | 28,791 | (\$27,745) | 1,046 |
| Loan to Successor Agency | 2,295,996 | | 2,295,996 |
| Total Proprietary Funds | 2,324,787 | (27,745) | 2,297,042 |
| Total | \$5,726,479 | (\$27,745) | \$5,698,734 |

- 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.
- 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. As of June 30, 2022, the balance of the loan was \$2,336,086.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|---|
| NOTE 5 – LOANS RECEIVABLES (Continued) |
|---|

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*

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.

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, 2022, 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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 5 – LOANS RECEIVABLE (Continued)

- 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, 2022, the balance of the loan was \$1,046.

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 |

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 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 6 – CAPITAL ASSETS (Continued)

Changes in capital assets during the year ended June 30, 2022 comprise of the following:

| | Balance at June 30, 2021 (As restated) | Additions | Retirements | Balance at June 30, 2022 |
|--|--|-------------|---------------|-----------------------------|
| <u>Governmental activities</u> | | | | |
| Non-depreciable capital assets: | | | | |
| Land | \$14,482,157 | \$4,220,000 | (\$1,985,857) | \$16,716,300 |
| Artwork | 5,500 | | | 5,500 |
| Construction in progress | 10,435,735 | 892,047 | | 11,327,782 |
| Total non-depreciable capital assets: | 24,923,392 | 5,112,047 | (1,985,857) | 28,049,582 |
| Capital assets being depreciated: | | | | |
| Land Improvements | 6,332,993 | | | 6,332,993 |
| Building and Structures | 17,537,741 | | | 17,537,741 |
| Machinery and Equipment | 4,928,687 | | (38,000) | 4,890,687 |
| Right-to-use leased property | 3,152,216 | | | 3,152,216 |
| Infrastructure | 31,758,104 | | | 31,758,104 |
| Total capital assets, depreciable | 60,557,525 | | (38,000) | 63,671,741 |
| <u>Less accumulated depreciation:</u> | | | | |
| Capital assets being depreciated: | | | | |
| Land Improvements | (2,487,672) | (160,597) | | (2,648,269) |
| Building and Structures | (6,175,788) | (343,715) | | (6,519,503) |
| Machinery and Equipment | (3,268,386) | (292,412) | | (3,560,798) |
| Right-to-use leased property | | (128,153) | | (128,153) |
| Infrastructure | (10,974,599) | (551,953) | | (11,526,552) |
| Total accumulated depreciation | (22,906,445) | (1,476,830) | | (24,383,275) |
| Depreciable capital assets | 37,651,080 | (1,476,830) | (38,000) | 39,288,466 |
| Governmental activity capital assets, net | \$62,574,472 | \$3,635,217 | (\$2,023,857) | \$67,338,048 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 6 – CAPITAL ASSETS (Continued)

| | Balance at June 30, 2021 | Additions | Balance at June 30, 2022 |
|---|-----------------------------|-------------|-----------------------------|
| <u>Business-type activities</u> | | | |
| Capital assets not being depreciated: | | | |
| Land | \$647,815 | | \$647,815 |
| Construction in Progress | 3,902,058 | \$228,387 | 4,130,445 |
| Total non-depreciable capital assets: | 4,549,873 | 228,387 | 4,778,260 |
| 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 | (6,623,201) | (82,991) | (6,706,192) |
| Building and Structures | (3,027,579) | (162,427) | (3,190,006) |
| Machinery and Equipment | (588,373) | (29,954) | (618,327) |
| Infrastructure | (15,590,150) | (436,740) | (16,026,890) |
| Total accumulated depreciation | (25,829,303) | (712,112) | (26,541,415) |
| Depreciable capital assets | 29,111,000 | (712,112) | 28,398,888 |
| Business-type activity capital assets, net | \$33,660,873 | (\$483,725) | \$33,177,148 |

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:

| | |
|---|--------------------|
| Governmental Activities | |
| General Government | \$442,180 |
| Public Safety | 244,849 |
| Public Works | 596,638 |
| Parks and Recreation | 193,163 |
| Total Governmental Activities | \$1,476,830 |
| Business-Type Activities | |
| Water | \$175,481 |
| Sewer | 84,003 |
| Guadalupe Valley Municipal Improvement District | 337,581 |
| Marina | 115,047 |
| Total Business-Type Activities | \$712,112 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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, 2022:

| | Balance at June 30, 2021 (As restated) | Additions | Retirements | Balance at June 30, 2022 | Current Portion | Non-Current Portion |
|---|--|--------------------|--------------------|-----------------------------|--------------------|------------------------|
| Governmental Activities | | | | | | |
| 2013 Pension Side Fund Bank Loan (Direct Borrowing) | \$736,000 | | (\$354,000) | \$382,000 | \$382,000 | |
| 2014 Lease Revenue Refunding Bonds | 4,145,000 | | (235,000) | 3,910,000 | 245,000 | 3,665,000 |
| Leases payable (see Note 11) | 3,152,216 | | (128,153) | 3,024,063 | 255,082 | 2,768,981 |
| 2017 Lease Revenue Refunding Bonds (Direct Placement) | 1,121,000 | | (130,000) | 991,000 | 131,000 | 860,000 |
| 2018 San Mateo County Library Loan (Direct Borrowing) | 1,360,000 | | (113,333) | 1,246,667 | 113,334 | 1,133,333 |
| 2022 Bank of West Loan (Direct Borrowing) | | 4,355,000 | | 4,355,000 | | 4,355,000 |
| Energy Conservation Loan (Direct Borrowing) | 62,344 | | (13,612) | 48,732 | 13,751 | 34,981 |
| Energy Efficiency Loan (Direct Borrowing) | 681 | | (681) | | | |
| Total Governmental Long-Term Debt | \$10,577,241 | \$4,355,000 | (\$974,779) | \$13,957,462 | \$1,140,167 | \$12,817,295 |
| Business-type Activities | | | | | | |
| 2015 Utility Revenue Bonds | \$6,505,000 | | (\$385,000) | \$6,120,000 | \$400,000 | \$5,720,000 |
| 2015 Installment Sale Agreement (Direct Placement) | 2,625,000 | | (405,000) | 2,220,000 | 417,000 | 1,803,000 |
| 2017 Marina Wi-Fi Capital Lease (Direct Borrowing) | 2,326 | | (2,326) | | | |
| Total Business-Type Long-Term Debt | \$9,132,326 | | (\$792,326) | \$8,340,000 | \$817,000 | \$7,523,000 |

A. 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 |
|-------------------------|------------------|-----------------|------------------|
| 2023 | \$382,000 | \$11,403 | \$393,403 |
| Total | \$382,000 | \$11,403 | \$393,403 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

B. 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 \$379,380. 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 |
|-------------------------|--------------------|--------------------|--------------------|
| 2023 | \$245,000 | \$134,180 | \$379,180 |
| 2024 | 255,000 | 124,380 | 379,380 |
| 2025 | 265,000 | 114,180 | 379,180 |
| 2026 | 270,000 | 106,230 | 376,230 |
| 2027 | 280,000 | 98,130 | 378,130 |
| 2028-2032 | 1,540,000 | 350,980 | 1,890,980 |
| 2033-2035 | 1,055,000 | 76,969 | 1,131,969 |
| Total | \$3,910,000 | \$1,005,049 | \$4,915,049 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

C. 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%.

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:

| Year ending June 30: | Principal | Interest | Total |
|-------------------------|------------------|-----------------|--------------------|
| 2023 | \$131,000 | \$21,902 | \$152,902 |
| 2024 | 138,000 | 19,006 | 157,006 |
| 2025 | 138,000 | 15,956 | 153,956 |
| 2026 | 143,000 | 12,906 | 155,906 |
| 2027 | 147,000 | 9,746 | 156,746 |
| 2028-2030 | 294,000 | 9,790 | 303,790 |
| Total | \$991,000 | \$89,306 | \$1,080,306 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

D. 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.

The annual payment requirements on the loan are as follows:

| Year ending June 30: | Principal | Interest | Total |
|-------------------------|--------------------|-----------------|--------------------|
| 2023 | \$113,334 | \$16,095 | \$129,429 |
| 2024 | 113,334 | 14,735 | 128,069 |
| 2025 | 113,334 | 13,399 | 126,733 |
| 2026 | 113,334 | 11,992 | 125,326 |
| 2027 | 113,334 | 10,654 | 123,988 |
| 2028-2032 | 566,673 | 26,076 | 592,749 |
| 2033 | 113,324 | 1,132 | 114,456 |
| Total | \$1,246,667 | \$94,083 | \$1,340,750 |

E. 2022 Bank of the West Loan (Direct Borrowing)

During the fiscal year ended June 30, 2022, the Brisbane/ Guadalupe Valley Municipal Improvement District Financing Authority and the City of Brisbane entered into a lease agreement with the Bank of the West in the amount of \$4.355 million to finance the costs associated with acquisition of the building and land of the former Bank of America branch located at 70 Old County Road in Brisbane.

On March 1, 2022, the City & Brisbane/ Guadalupe Valley Municipal Improvement District Financing Authority entered into Lease Agreement with the Bank of the West (Bank), under which the Bank funded \$4,355,000 to the Brisbane/Guadalupe Valley Municipal Improvement District Financing Authority (Authority), which amount will be paid by the Authority to the City and, in consideration therefor, the City has agreed to cause the Authority to assign its rights, title and interest under the Site and Facility Lease, dated as of March 1, 2022, by and between the City and the Authority (the "Site and Facility Lease"), and the Lease Agreement, dated as of March 1, 2022 (the "Lease Agreement"), by and between the City and the Authority, including its rights to receive lease payments to be made by the City to the Bank under the Lease Agreement.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

The City will make the annual lease payments over a lease term of 20 years, at a fixed interest rate of 3.25% per year. The lease is secured by the leased located at 70 Old County Road. The lease is repayable in semi-annual payments beginning September 1, 2023 through March 1, 2042.

The pledge of repayment is from the City's General Fund.

The annual payment requirements on the loan are as follows:

| June 30: | Principal | Interest | Total |
|--------------|--------------------|--------------------|--------------------|
| 2023 | | \$132,619 | \$132,619 |
| 2024 | \$71,000 | 141,341 | 212,341 |
| 2025 | 76,000 | 139,617 | 215,617 |
| 2026 | 77,000 | 136,131 | 213,131 |
| 2027 | 78,000 | 133,628 | 211,628 |
| 2028-2032 | 930,000 | 607,955 | 1,537,955 |
| 2033-2037 | 1,436,000 | 405,772 | 1,841,772 |
| 2038-2042 | 1,687,000 | 153,553 | 1,840,553 |
| Total | \$4,355,000 | \$1,850,616 | \$6,205,616 |

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:

| Year ending June 30: | Principal | Interest | Total |
|-------------------------|-----------------|--------------|-----------------|
| 2023 | \$13,751 | \$453 | \$14,204 |
| 2024 | 13,888 | 316 | 14,204 |
| 2025 | 14,029 | 176 | 14,205 |
| 2026 | 7,064 | 35 | 7,099 |
| Total | \$48,732 | \$980 | \$49,712 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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. At June 30, 2022, the City has fully paid off the Loan.

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 could become immediately due. Total debt service paid in the current year was \$628,025 and Utility Enterprise Fund net revenue was (\$1,333,230). The City is increasing the rate to increase the revenue in FY2023.

The annual payment requirements on the loan are as follows:

| Year ending June 30: | Principal | Interest | Total |
|-------------------------|--------------------|--------------------|--------------------|
| 2023 | \$400,000 | \$223,400 | \$623,400 |
| 2024 | 415,000 | 203,025 | 618,025 |
| 2025 | 440,000 | 181,650 | 621,650 |
| 2026 | 455,000 | 159,275 | 614,275 |
| 2027 | 480,000 | 140,700 | 620,700 |
| 2028-2032 | 2,635,000 | 463,370 | 3,098,370 |
| 2033-2036 | 1,295,000 | 97,268 | 1,392,268 |
| Total | \$6,120,000 | \$1,468,688 | \$7,588,688 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 7 – LONG-TERM DEBT (Continued)

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 \$483,764 and Marina Enterprise Fund net operating income was \$886,067.

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

| Year ending June 30: | Principal | Interest | Total |
|-------------------------|--------------------|------------------|--------------------|
| 2023 | \$417,000 | \$66,035 | \$483,035 |
| 2024 | 430,000 | 52,931 | 482,931 |
| 2025 | 443,000 | 39,406 | 482,406 |
| 2026 | 458,000 | 25,475 | 483,475 |
| 2027 | 472,000 | 11,076 | 483,076 |
| Total | \$2,220,000 | \$194,923 | \$2,414,923 |

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. At June 30, 2022, the City has fully paid off the Lease.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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| 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:

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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|--|
| NOTE 8 – NET POSITION AND FUND BALANCES (Continued) |
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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, 2022, the cash and investment balance in the trust was \$1,224,830. 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 suit the circumstances of the City.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Detailed classifications of the City's fund balances, as of June 30, 2022, 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 | \$518,750 | | | | \$518,750 |
| Prepays | 4,868 | | | | 4,868 |
| Advances to other funds | 3,228,659 | | | | 3,228,659 |
| Total Nonspendable Fund Balances | 3,752,277 | | | | 3,752,277 |
| Restricted for: | | | | | |
| PARS pension trust | 1,224,830 | | | | 1,224,830 |
| Low and moderate income housing projects | | \$4,467,271 | | | 4,467,271 |
| Debt service | | | | \$1,202,711 | 1,202,711 |
| ARPA funded public services | | | | 1,093,445 | 1,093,445 |
| Transportation and street improvements | | | | 346,656 | 346,656 |
| Grant activities | | | | 444,153 | 444,153 |
| Special revenue activities | | | | 56,743 | 56,743 |
| | | | | 2,630,592 | 2,630,592 |
| Total Restricted Fund Balances | 1,224,830 | 4,467,271 | | 5,774,300 | 11,466,401 |
| Assigned to: | | | | | |
| Capital projects | | | | 5,258,508 | 5,258,508 |
| Encumbrances | 620,798 | | | | 620,798 |
| Fire sinking fund | 220,868 | | | | 220,868 |
| Total Assigned Fund Balances | 841,666 | | | 5,258,508 | 6,100,174 |
| Unassigned | 9,381,517 | | (\$6,402,489) | (122,338) | 2,856,690 |
| Total Fund Balances | \$15,200,290 | \$4,467,271 | (\$6,402,489) | \$10,910,470 | \$24,175,542 |

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 2022, 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 2022, 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 2022, the minimum amount is approximately \$2,000,000.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

For fiscal year 2022, 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, 2022, the actual total amount of fund balance of the General Fund was \$15,200,290, with an unassigned fund balance of \$9,381,517.

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:

- a. Economic uncertainties, local disasters, and other financial hardships, or downturns in the local or national economy.
- b. Contingencies for unseen operating or capital needs.
- c. Cash flow requirements.

At June 30, 2022, the Utility Enterprise Fund's required work capital balance is \$1,500,313. The fund's actual unrestricted net position at June 30, 2022 was \$3,221,074. At June 30, 2022, the Marina Enterprise Fund's required work capital balance is \$329,488. The fund's actual unrestricted net position at June 30, 2022 was \$916,865.

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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

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 |
|--|---|
| Major Governmental Fund: | |
| Capital Projects Fund | (\$6,402,489) |
| Non-Major Governmental Funds: | |
| NPDES Special Revenue Fund | (11,775) |
| SBI Road Maintenance and Rehabilitation Special Revenue Fund | (1,283) |
| 2006 Pension Obligation Bonds Debt Service Fund | (7,788) |
| 2013 Pension Side Fund Bonds Debt Service Fund | (1,010) |
| Brisbane- Guadalupe Valley Municipal Improvement District | |
| Public Financing Authority Debt Service Fund | (3,101) |
| Internal Service Funds: | |
| Dental Self-Insurance | (124,633) |
| Flexible Benefits | (1,679) |
| General Liability | (595,633) |
| Workers' Compensation | (371,763) |

NOTE 9 – PENSION PLANS

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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – PENSION PLANS (Continued)

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.

The Plan’s provisions and benefits in effect at June 30, 2022, are summarized as follows:

| | Miscellaneous | | |
|---|-----------------------|--------------------------|-----------------------------|
| | Prior to July 1, 2008 | Prior to January 1, 2013 | On or after January 1, 2013 |
| Hire date | Prior to July 1, 2008 | Prior to January 1, 2013 | On or after January 1, 2013 |
| 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% | 6.75% |
| Required employer contribution rates | 14.02% | 9.13% | 7.59% |

| | Safety | | |
|---|--------------------------|------------------------------------|--------------------------------------|
| | Prior to January 1, 2013 | On or after January 1, 2013 (Fire) | On or after January 1, 2013 (Police) |
| Hire date | Prior to January 1, 2013 | On or after January 1, 2013 (Fire) | On or after January 1, 2013 (Police) |
| 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% | 13.0% | 13.0% |
| Required employer contribution rates | 21.79% | 13.13% | 13.13% |

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 \$1,854,937 in fiscal year 2022.

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, 2022

NOTE 9 – PENSION PLANS (Continued)

For the year ended June 30, 2022, the contributions to the Plan were as follows:

| | |
|--------------------------|---------------|
| | Miscellaneous |
| Contributions - employer | \$1,637,353 |
| | Safety |
| Contributions - employer | \$1,571,251 |

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

As of June 30, 2022, the City reported the following balances:

| | Deferred outflows of resources | Net Pension Liability (Asset) | Deferred inflows of resources |
|---------------|-----------------------------------|----------------------------------|----------------------------------|
| Miscellaneous | \$2,393,995 | \$4,171,920 | \$6,347,878 |
| Safety | 7,694,190 | 12,166,933 | 8,664,042 |
| PARS | 77,845 | 49,819 | |
| Total | \$10,166,030 | \$16,388,672 | \$15,011,920 |

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, 2021, 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, 2020 rolled forward to June 30, 2021 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, 2020 and 2021 was as follows:

| | |
|------------------------------|---------------|
| | Miscellaneous |
| Proportion - June 30, 2020 | 0.29337% |
| Proportion - June 30, 2021 | 0.21971% |
| Change - Increase (Decrease) | -0.07366% |
| | Safety |
| Proportion - June 30, 2020 | 0.18910% |
| Proportion - June 30, 2021 | 0.34669% |
| Change - Increase (Decrease) | 0.15759% |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – PENSION PLANS (Continued)

For the year ended June 30, 2022, the City recognized pension expense of \$4,023,057. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Safety Plan | | Miscellaneous Plan | |
|---|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date | \$1,571,251 | | \$1,637,353 | |
| Differences between actual and expected experience | 2,078,710 | | 467,836 | |
| Changes in assumptions | | | | |
| Net differences between actual and proportional contribution | | (\$1,345,705) | 169,849 | (\$46,332) |
| Net differences between projected and actual earnings on plan investments | | (7,241,664) | | (3,641,866) |
| Adjustment due to differences in proportion | 4,044,229 | (76,673) | 118,957 | (2,659,680) |
| Total | <u>\$7,694,190</u> | <u>(\$8,664,042)</u> | <u>\$2,393,995</u> | <u>(\$6,347,878)</u> |

(Continued)

| | Total | |
|---|-----------------------------------|----------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date | \$3,208,604 | |
| Differences between actual and expected experience | 2,546,546 | |
| Changes in assumptions | | |
| Net differences between actual and proportional contribution | 169,849 | (\$1,392,037) |
| Net differences between projected and actual earnings on plan investments | | (10,883,530) |
| Adjustment due to differences in proportion | 4,163,186 | (2,736,353) |
| Total | <u>\$10,088,185</u> | <u>(\$15,011,920)</u> |

\$3,208,604 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, 2023. 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 June 30 | Annual Amortization | Year Ended June 30 | Annual Amortization |
| 2023 | \$152,987 | 2023 | (\$1,527,782) |
| 2024 | (33,665) | 2024 | (1,591,682) |
| 2025 | (667,620) | 2025 | (1,465,348) |
| 2026 | (1,992,805) | 2026 | (1,006,424) |
| Total | <u>(\$2,541,103)</u> | Total | <u>(\$5,591,236)</u> |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – PENSION PLANS (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2021, the total pension liability was determined by rolling forward the June 30, 2020 total pension liability. The June 30, 2020 total pension liability was based on the following actuarial methods and assumptions:

| | All CalPERS Plans |
|---------------------------|---|
| Valuation Date | June 30, 2020 |
| Measurement Date | June 30, 2021 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Salary Increases | (1) |
| Investment Rate of Return | 7.15% (2) |
| Mortality Rate Table | Derived using CalPers Membership Data for all Funds (3) |

(1) Depending on age, service and type of employment

(2) Net of Pension plan investment expenses, including inflation.

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for the Plan. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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 rounded 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 equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – PENSION PLANS (Continued)

The table below reflects the long-term expected real rate of return by asset class.

| Asset Class (a) | Assumed Asset Allocation | Real Return Years 1 - 10 (b) | Real Return Years 11+ (c) |
|------------------|--------------------------------|------------------------------------|------------------------------|
| Public 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 Annual Comprehensive Financial Report, 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.

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 | \$9,206,044 | \$20,726,551 |
| Current Discount Rate | 7.15% | 7.15% |
| Net Pension Liability | \$4,171,920 | \$12,166,933 |
| 1% Increase | 8.15% | 8.15% |
| Net Pension Liability | \$10,281 | \$5,136,264 |

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|---|
| NOTE 9 – PENSION PLANS (Continued) |
|---|

C. *Public Agency Retirement System Retirement Enhancement Plan*

Plans Description – The City established a Public Agency Retirement System Retirement Enhancement Plan (PARS), Agent multiple-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 annual comprehensive 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, 2022, the PARS Plan had one active employee covered by the benefit.

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, 2022, the contributions to the PARS Plan were as follows:

| | |
|--------------------------|-------------|
| | <u>PARS</u> |
| Contributions - employer | \$37,400 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – PENSION PLANS (Continued)

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, 2021 |
| Measurement Date | June 30, 2022 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 6.50% |
| Inflation | 2.50% |
| Payroll Growth | 0.0% |
| Projected Salary Increase | 0.0% |
| 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.

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 | 6.23% | 0.21% | 0.20% |
| US Core Fixed Income | 46.31% | 1.95% | 1.84% |
| US Equity Market | 37.82% | 5.70% | 4.10% |
| Foreign Developed Equity | 4.76% | 6.99% | 5.25% |
| Emerging Markets Equity | 3.11% | 9.44% | 5.97% |
| US REITs | 1.77% | 6.27% | 4.11% |
| Total | 100% | | |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – PENSION PLANS (Continued)

Pension Liabilities, Pensions Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions – The City’s net pension liability (asset) is measured as the total pension liability less the pension plan’s fiduciary net position. The net pension liability (asset) of the PARS Plan is measured as of June 30, 2021, and the total pension liability for the PARS Plan used to calculate the net pension liability (asset) was determined by an actuarial valuation as of June 30, 2020.

The following table shows the net pension liability (asset) for the PARS Plan and the respective changes in the net pension liability (asset) recognized over the measurement period.

| | Increase (Decrease) | | |
|--|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2021 | \$712,888 | \$786,139 | (\$73,251) |
| Changes for the year: | | | |
| Service cost | 16,841 | | 16,841 |
| Interest on the total pension liability | 47,433 | | 47,433 |
| Effect of economic/demographic gains or losses | 21,424 | | 21,424 |
| Effect of assumption changes or inputs | (38,013) | | (38,013) |
| Employer contributions | | 37,400 | (37,400) |
| Net investment income | | (108,805) | 108,805 |
| Administrative expenses | | (3,980) | 3,980 |
| Net changes during 2021-2022 | 47,685 | (75,385) | 123,070 |
| Balance at June 30, 2022 | \$760,573 | \$710,754 | \$49,819 |

For the year ended June 30, 2022, the City recognized pension expense of \$16,403 for the PARS Plan. At June 30, 2022, the City reported deferred outflows of resources related to pensions from the net differences between projected and actual earnings on plan investments of the Miscellaneous PARS plan in the amount of \$77,845.

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

| | Miscellaneous PARS Annual Amortization |
|-----------------------|---|
| Year Ended June 30 | |
| 2023 | \$16,501 |
| 2024 | 16,481 |
| 2025 | 12,670 |
| 2026 | 32,193 |
| Total | \$77,845 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 9 – PENSION PLANS (Continued)

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) 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 (asset) 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 (Asset) | \$117,724 |
| Current Discount Rate | 6.50% |
| Net Pension Liability (Asset) | \$49,819 |
| 1% Increase | 7.50% |
| Net Pension Liability (Asset) | (\$9,172) |

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 | <div>• Retirees not eligible for Cash Stipend</div> <div>• Includes hourly employees and City Council</div> <table><thead><tr><th><u>Year</u></th><th><u>Monthly Amount</u></th></tr></thead><tbody><tr><td>2018</td><td>\$133</td></tr><tr><td>2019</td><td>136</td></tr><tr><td>2020</td><td>139</td></tr></tbody></table> | | | <u>Year</u> | <u>Monthly Amount</u> | 2018 | \$133 | 2019 | 136 | 2020 | 139 |
| <u>Year</u> | <u>Monthly Amount</u> | | | | | | | | | | |
| 2018 | \$133 | | | | | | | | | | |
| 2019 | 136 | | | | | | | | | | |
| 2020 | 139 | | | | | | | | | | |
| ▪ Surviving Spouse Benefit | <div>• Retirement plan election</div> <div>• PEMHCA minimum benefit continues to surviving spouses</div> <div>• No Cash Stipend for surviving spouses</div> | | | | | | | | | | |
| ▪ Dental, Vision & Life | • None | | | | | | | | | | |

As of June 30, 2022, approximately 53 participants were eligible to receive benefits.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

B. Employees Covered by Benefit Terms

At June 30, 2022, the benefit terms covered the following employees:

| | Number of Covered Employees |
|---|--------------------------------|
| Retirees and beneficiaries receiving benefits | 53 |
| Active employees | 78 |
| | 131 |

C. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

D. Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement, unless otherwise specified:

| | |
|----------------------------|---|
| Measurement Date | June 30, 2021 |
| Funding Policy | Annual actuarial determined contributions. |
| Salary Increases | Aggregate salary increases, 2.75%. Individual salary increased based on CalPERS |
| Healthcare Cost Trend Rate | Pre-Medicare 7.0%, Medicare 6.0% Trending down to 4.04% over 56 years. |
| Inflation | 5.50% |
| Actuarial Assumptions: | |
| Discount Rate | 5.39% |
| Investment Rate of Return | 5.39% |
| Mortality | Based on CalPERS tables |

The discount rate used to measure the total OPEB liability was 5.39%. 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, 2022

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

E. Changes in the Net OPEB Liability

| | Increase (Decrease) | | |
|---|-----------------------------|------------------------------------|-----------------------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability/(Asset) |
| | (a) | (b) | (c) = (a) - (b) |
| Balance at Fiscal Year Ending 6/30/2021: | \$9,055,847 | \$2,880,584 | \$6,175,263 |
| (Measurement Date 6/30/19) | | | |
| Changes Recognized for the Measurement Period: | | | |
| Service cost | 216,149 | | 216,149 |
| Interest | 534,725 | | 534,725 |
| Effect of liability gains or losses | (1,567,041) | | (1,567,041) |
| Changes of assumptions | 213,210 | | 213,210 |
| Investment gains or losses on expected return contributions | | 494,601 | (494,601) |
| Contributions: | | | |
| Employer - City's contribution | | 745,509 | (745,509) |
| Employer - Implicit subsidy | | 141,442 | (141,442) |
| Net investment income | | 183,804 | (183,804) |
| Benefit payments | (245,509) | (245,509) | |
| Implicit rate subsidy fulfilled | (141,442) | (141,442) | |
| Administrative expenses | | (19,916) | 19,916 |
| Net Changes during Fiscal Year 2022 | (989,908) | 1,158,489 | (2,148,397) |
| Balance at Fiscal Year Ending 6/30/2022: | \$8,065,939 | \$4,039,073 | \$4,026,866 |

F. 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 (4.39%) or one percentage point higher (6.39%), as follows:

| | Discount Rate | | |
|--------------------|----------------------|----------------|--------------------|
| | 1% Decrease | Current | 1% Increase |
| | (4.39%) | (5.39%) | (6.39%) |
| Net OPEB Liability | \$5,007,835 | \$4,026,866 | \$3,206,765 |

G. 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 (6.0%) or one percentage point higher (8.0%) than current healthcare cost trend rates, as follows:

| | Trend Rate | | |
|--------------------|---------------------------------|---------------------------------|---------------------------------|
| | 1% Decrease | Current | 1% Increase |
| | 6.0% decreasing to 3.04% | 7.0% decreasing to 4.04% | 8.0% decreasing to 5.04% |
| Net OPEB Liability | \$3,107,080 | \$4,026,866 | \$5,145,449 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

H. OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$85,910. At June 30, 2022, 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 | \$474,137 | |
| Differences between actual and expected experience | 745,717 | (\$1,687,541) |
| Net difference between projected and actual earnings on OPEB plan investments | | (367,278) |
| Changes of assumptions | 460,417 | (836,535) |
| Total | <u>\$1,680,271</u> | <u>(\$2,891,354)</u> |

A total of \$474,137 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, 2023. 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 |
|-----------------------|------------------------|
| 2023 | (\$501,084) |
| 2024 | (503,911) |
| 2025 | (135,810) |
| 2026 | (201,678) |
| 2027 | (178,214) |
| Thereafter | (164,523) |
| Total | <u>(\$1,685,220)</u> |

NOTE 11 – LEASES

A. Policies

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. The City recognizes lease receivable or liabilities with an initial, individual value of \$500,000 or more for Governmental Funds and \$300,000 for Enterprise and all other funds, based on the future lease payments remaining at the start of the lease.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|-------------------------------------|
| NOTE 11 – LEASES (Continued) |
|-------------------------------------|

Lessor

The City is a lessor for noncancellable leases of buildings and facilities. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts as follows:

- The City uses bond interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The City has no leases applicable over the threshold for GASB 87 implementation for the fiscal year 2022.

Lessee

The City is a lessee for the buildings located on 25 Park Place, Brisbane. City recognizes a lease liability and an intangible right-to-use lease asset in the government-wide financial statements. City recorded lease liabilities with an initial value of \$3,152,216.

At the commencement of a lease, City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 11 – LEASES (Continued)

Key estimates and judgments related to leases include how City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, City generally uses bond interest rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Leases payable is summarized in Note 7 and Right-to-use Leased Equipment in Note 6.

B. Leases Payable (City as Lessee)

The terms and balances related to leases as of June 30, 2022 were:

| Lessor | Property Address | Original Lease Date | Lease Ending Date | Term Duration (Years) | Remaining Lease Term (Years) | Extension Years |
|--------------|------------------|---------------------|-------------------|-----------------------|------------------------------|-----------------|
| Orsini Court | 25 Park Place | 7/1/2021 | 7/1/2031 | 10 | 9 | - |

(Continued below)

| Lessor | Expiration Date Including Options | Interest Exp | Principal Expenditures | Monthly Payment | Lease Asset | Lease Liability |
|--------------|-----------------------------------|--------------|------------------------|-----------------|-------------|-----------------|
| Orsini Court | 7/1/2031 | \$47,331 | \$128,153 | various | \$3,024,063 | \$3,024,063 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 11 – LEASES (Continued)

The future principal and interest for lease as of June 30, were as follows:

| For the Year Ended June 30 | Principal | Interest | Total |
|-------------------------------|--------------------|------------------|--------------------|
| 2023 | \$255,082 | \$49,418 | \$304,500 |
| 2024 | 268,653 | 44,979 | 313,632 |
| 2025 | 282,734 | 40,306 | 323,040 |
| 2026 | 297,347 | 35,389 | 332,736 |
| 2027 | 312,500 | 30,220 | 342,720 |
| 2028 - 2032 | 1,607,747 | 64,777 | 1,672,524 |
| Totals | <u>\$3,024,063</u> | <u>\$265,089</u> | <u>\$3,289,152</u> |

NOTE 12 – RISK MANAGEMENT

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, 2022

NOTE 12 – 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, 2022, 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 | \$824,354 |
| Changes to estimated claims liability | 832,053 |
| Claims paid | <u>(563,140)</u> |
| Ending balance of claims payable | <u>\$1,093,267</u> |
| Current Portion | <u>\$334,266</u> |

NOTE 13 – 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, 2022

| |
|---|
| NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued) |
|---|

C. *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, 2022 were as listed below:

| | <u>Amount</u> |
|----------------------------|---------------|
| General Fund | \$620,798 |
| Capital Projects Fund | 15,800 |
| NPDES Special Revenue Fund | 97,381 |
| Grant Special Revenue Fund | 1,734 |

D. *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.

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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|---|
| NOTE 13 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued) |
|---|

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 \$103,884 during fiscal year 2022 which is included as a component of purchased water expenses in the Utility Enterprise Fund. The surcharge for fiscal year 2023 is estimated to be \$79,459.

E. 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. In September 2014, all the municipalities signed an agreement to share in the construction costs for a new animal control center by repaying the County through a 30-year, interest-free lease agreement. Construction of the new animal shelter building was completed in 2020, and certificate of occupancy was issued. The municipalities' final shared responsibility was determined to be \$25.7 million. Each municipalities' share of the annual lease payment is based on a methodology of a three-year average of shelter use and percentage of population, and is due each July 31st. The City's annual lease payment for FY2022-2023 is \$36,258.00.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 14 – 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 |
|---|--------------------|--------------------|--|---------------------|
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and investments | \$371,849 | (\$2,032,350) | \$7,010,561 | \$5,350,060 |
| Restricted cash | | | | |
| Accounts receivable, net | 438,256 | 322,641 | 318,256 | 1,079,153 |
| Taxes receivable | | | 425 | 425 |
| Interest receivable | 3,956 | 2,543 | 5,592 | 12,091 |
| Total current assets | 814,061 | (1,707,166) | 7,334,834 | 6,441,729 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Non-depreciable | 1,741,070 | 413,040 | 2,624,100 | 4,778,210 |
| Depreciable, net | 7,452,341 | 3,958,519 | 11,381,814 | 22,792,674 |
| Total capital assets | 9,193,411 | 4,371,559 | 14,005,914 | 27,570,884 |
| Total noncurrent assets | 9,193,411 | 4,371,559 | 14,005,914 | 27,570,884 |
| Total assets | 10,007,472 | 2,664,393 | 21,340,748 | 34,012,613 |
| DEFERRED OUTFLOWS | | | | |
| Deferred outflows related to pension | 57,390 | 57,390 | 57,390 | 172,170 |
| Deferred outflows related to OPEB | 27,600 | 27,600 | 27,601 | 82,801 |
| Total Deferred Outflows | 84,990 | 84,990 | 84,991 | 254,971 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 247,812 | 247,812 | 247,812 | 743,436 |
| Accrued payroll | 14,676 | 14,676 | 14,677 | 44,029 |
| Interest payable | 25,454 | 25,454 | 25,453 | 76,361 |
| Compensated absences | 9,324 | 2,488 | 3,413 | 15,225 |
| Deposits | 6,143 | 6,143 | 6,143 | 18,429 |
| Bonds payable due within one year | 133,333 | 133,333 | 133,334 | 400,000 |
| Unearned revenue | 238,782 | 238,782 | 238,782 | 716,346 |
| Total current liabilities | 675,524 | 668,688 | 669,614 | 2,013,826 |
| Noncurrent liabilities: | | | | |
| Compensated absences | 27,972 | 7,465 | 10,239 | 45,676 |
| Advances from other funds | | | | |
| Bonds payable due in more than one year | 1,906,667 | 1,906,667 | 1,906,666 | 5,720,000 |
| Net pension liability | 100,404 | 100,404 | 100,405 | 301,213 |
| Net OPEB liability | 54,818 | 54,818 | 54,818 | 164,454 |
| Total noncurrent liabilities | 2,089,861 | 2,069,354 | 2,072,128 | 6,231,343 |
| Total liabilities | 2,765,385 | 2,738,042 | 2,741,742 | 8,245,169 |
| DEFERRED INFLOWS | | | | |
| Deferred inflows related to pension | 165,607 | 165,607 | 165,606 | 496,820 |
| Deferred inflows related to OPEB | 31,584 | 31,584 | 31,584 | 94,752 |
| Total Deferred Inflows | 197,191 | 197,191 | 197,190 | 591,572 |
| NET POSITION | | | | |
| Invested in capital assets, net of related debt | 7,153,411 | 2,331,559 | 11,965,914 | 21,450,884 |
| Restricted for: | | | | |
| Capital projects | 717,978 | 40,907 | | 758,885 |
| Unrestricted | (741,503) | (2,558,316) | 6,520,893 | 3,221,074 |
| Total net position | \$7,129,886 | (\$185,850) | \$18,486,807 | \$25,430,843 |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 14 – SEGMENT INFORMATION (Continued)

Utility Fund Statement of Activities

| | Water | Sewer | Guadalupe Valley Municipal Improvement District | Total Utility |
|---|--------------------|--------------------|--|---------------------|
| OPERATING REVENUES: | | | | |
| Charges for services | \$2,286,722 | \$1,356,459 | \$1,810,098 | \$5,453,279 |
| Other revenues | 6,693 | 5,245 | 7,569 | 19,507 |
| Total operating revenues | <u>2,293,415</u> | <u>1,361,704</u> | <u>1,817,667</u> | <u>5,472,786</u> |
| OPERATING EXPENSES: | | | | |
| Costs of sales and services | 1,012,463 | 1,528,876 | 1,288,274 | 3,829,613 |
| General and administrative | 1,026,564 | 962,399 | 1,084,031 | 3,072,994 |
| Depreciation | 175,481 | 84,003 | 337,581 | 597,065 |
| Other expenses | 1,892 | | | 1,892 |
| Total operating expenses | <u>2,216,400</u> | <u>2,575,278</u> | <u>2,709,886</u> | <u>7,501,564</u> |
| OPERATING INCOME (LOSS) | <u>77,015</u> | <u>(1,213,574)</u> | <u>(892,219)</u> | <u>(2,028,778)</u> |
| NONOPERATING REVENUES (EXPENSES): | | | | |
| Taxes and assessments | | | 35,190 | 35,190 |
| Investment income | (24,469) | (12,235) | (24,469) | (61,173) |
| Interest expense | (94,643) | (23,660) | (118,304) | (236,607) |
| Total nonoperating revenues (expenses) | <u>(119,112)</u> | <u>(35,895)</u> | <u>(107,583)</u> | <u>(262,590)</u> |
| INCOME (LOSS) BEFORE TRANSFERS | <u>(42,097)</u> | <u>(1,249,469)</u> | <u>(999,802)</u> | <u>(2,291,368)</u> |
| Developer Contributions | 60,000 | | | 60,000 |
| Transfers in | 16,090 | 16,092 | 16,093 | 48,275 |
| Transfers out | (28,404) | | (29,824) | (58,228) |
| Total transfers in and out | <u>47,686</u> | <u>16,092</u> | <u>(13,731)</u> | <u>50,047</u> |
| Change in net positions | 5,589 | (1,233,377) | (1,013,533) | (2,241,321) |
| NET POSITIONS: | | | | |
| Beginning of year | 7,124,297 | 1,047,527 | 19,500,340 | 27,672,164 |
| End of year | <u>\$7,129,886</u> | <u>(\$185,850)</u> | <u>\$18,486,807</u> | <u>\$25,430,843</u> |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

NOTE 14 – SEGMENT INFORMATION (Continued)

Utility Fund Statement of Cash Flows

| | Water | Sewer | Guadalupe Valley Municipal Improvement District | Total Utility |
|--|-------------|---------------|--|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | |
| Cash received from customers | \$2,252,611 | \$1,380,900 | \$1,836,863 | \$5,470,374 |
| Cash payments to suppliers | (2,048,567) | (2,508,502) | (2,379,950) | (6,937,019) |
| Net cash provided (used) by operating activities | 204,044 | (1,127,602) | (543,087) | (1,466,645) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | |
| Taxes and assessments | | | 35,301 | 35,301 |
| Transfers in | 16,090 | 16,092 | 16,093 | 48,275 |
| Transfers out | (28,404) | | (29,824) | (58,228) |
| Net cash provided (used) by noncapital financing activities | (12,314) | 16,092 | 21,570 | 25,348 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | | | |
| Acquisition of property, plant and equipment | (266,816) | (106,886) | 145,315 | (228,387) |
| Principal payment of debt | (128,332) | (128,335) | (128,333) | (385,000) |
| Interest paid | (96,621) | (25,638) | (120,283) | (242,542) |
| Developer contributions | 60,000 | | | 60,000 |
| Net cash provided (used) by capital and related financing activities | (431,769) | (260,859) | (103,301) | (795,929) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | |
| Investment income received | (27,151) | (14,066) | (28,387) | (69,604) |
| Net cash provided (used) by investing activities | (27,151) | (14,066) | (28,387) | (69,604) |
| Net increase (decrease) in cash and cash equivalents | (267,190) | (1,386,435) | (653,205) | (2,306,830) |
| CASH AND CASH EQUIVALENTS: | | | | |
| Beginning of year | 639,039 | (645,915) | 7,663,766 | 7,656,890 |
| End of year | \$371,849 | (\$2,032,350) | \$7,010,561 | \$5,350,060 |
| FINANCIAL STATEMENT PRESENTATION: | | | | |
| Cash and cash equivalents | \$371,849 | (\$2,032,350) | \$7,010,561 | \$5,350,060 |
| Total cash and cash equivalents | \$371,849 | (\$2,032,350) | \$7,010,561 | \$5,350,060 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | | | |
| Operating income (loss) | \$77,015 | (\$1,213,574) | (\$892,219) | (\$2,028,778) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation | 175,481 | 84,003 | 337,581 | 597,065 |
| Changes in current assets and liabilities: | | | | |
| Accounts receivable | (40,804) | 19,196 | 19,196 | (2,412) |
| Accounts payable and accrued liabilities | 14,750 | 14,751 | 14,750 | 44,251 |
| Accrued payroll | 2,476 | 2,475 | 2,477 | 7,428 |
| Compensated absences | | (9,583) | | (9,583) |
| Deposits | (1,417) | (1,416) | (1,417) | (4,250) |
| Unearned revenue | | | | |
| Net pension liability, deferred inflows and deferred outflows | (20,802) | (20,799) | (20,800) | (62,401) |
| Net OPEB liability, deferred inflows and deferred outflows | (2,655) | (2,655) | (2,655) | (7,965) |
| Total adjustments | 127,029 | 85,972 | 349,132 | 562,133 |
| Net cash provided (used) by operating activities | \$204,044 | (\$1,127,602) | (\$543,087) | (\$1,466,645) |

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|---|
| NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES |
|---|

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, 2022 are discussed in Note 3 above.

B. Long-Term Obligations

| Description | Balance June 30, 2021 | Retirements | Balance June 30, 2022 | Current Portion | Non-current Portion |
|--|--------------------------|----------------------|--------------------------|--------------------|------------------------|
| 2013 Tax Allocation Bonds | \$8,065,000 | (\$1,450,000) | \$6,615,000 | \$1,510,000 | \$5,105,000 |
| Total long-term debt | <u>\$8,065,000</u> | <u>(\$1,450,000)</u> | <u>\$6,615,000</u> | <u>\$1,510,000</u> | <u>\$5,105,000</u> |
| Loans payable to the City of Brisbane City Marina Enterprise Fund | \$2,295,996 | | \$2,295,996 | | \$2,295,996 |
| Total loans payable to the City | <u>\$2,295,996</u> | | <u>\$2,295,996</u> | | <u>\$2,295,996</u> |

C. 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, which is recorded as a Deferred Outflow – Deferred Charges on Refunding. The balance of the Deferred Outflow as of June 30, 2022 was \$1,206,554.

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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

| |
|---|
| NOTE 15 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (Continued) |
|---|

Total principal and interest remaining to be paid on the bonds is \$7,266,631. Principal and interest paid for the current year was \$1,768,884.

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

| Year ending June 30: | Principal | Interest | Total |
|-------------------------|--------------------|------------------|--------------------|
| 2023 | \$1,510,000 | \$258,337 | \$1,768,337 |
| 2024 | 1,570,000 | 195,098 | 1,765,098 |
| 2025 | 1,645,000 | 129,272 | 1,774,272 |
| 2026 | 1,710,000 | 60,547 | 1,770,547 |
| 2027 | 90,000 | 6,521 | 96,521 |
| 2028 | 90,000 | 1,856 | 91,856 |
| Total | \$6,615,000 | \$651,631 | \$7,266,631 |

D. 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.

| |
|-------------------------------------|
| NOTE 16 – CONCENTRATION RISK |
|-------------------------------------|

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, 2022, more than 17.23% of the City's General Fund's total revenues were derived from a single company.

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, 2022

| | Budgeted Amounts | | | Variance with Final Budget Positive (Negative) |
|--|------------------|---------------|--------------|---|
| | Original | Final | Actual | |
| REVENUES: | | | | |
| Taxes and special assessments | \$11,789,140 | \$13,177,406 | \$13,709,682 | \$532,276 |
| Intergovernmental | 17,000 | 17,000 | 222,090 | 205,090 |
| Licenses, permits and fees | 5,299,800 | 5,299,800 | 5,229,061 | (70,739) |
| Charges for services | 2,533,982 | 2,533,982 | 3,380,168 | 846,186 |
| Fines and forfeitures | 52,000 | 52,000 | 110,229 | 58,229 |
| Use of money and property | 70,000 | 70,000 | (253,521) | (323,521) |
| Other revenues | 451,036 | 451,036 | 813,490 | 362,454 |
| Total Revenues | 20,212,958 | 21,601,224 | 23,211,199 | 1,609,975 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| General government | 6,742,700 | 7,176,908 | 8,406,365 | (1,229,457) |
| Public safety - police | 5,407,492 | 5,407,492 | 5,287,367 | 120,125 |
| Public safety - fire | 4,310,946 | 4,310,946 | 4,516,591 | (205,645) |
| Public works | 2,622,051 | 2,622,051 | 2,846,855 | (224,804) |
| Parks and recreation | 2,395,146 | 2,395,146 | 2,455,019 | (59,873) |
| Capital outlay | | | 4,272,494 | (4,272,494) |
| Debt service: | | | | |
| Principal | | | 13,614 | (13,614) |
| Interest and fiscal charges | | | 101,598 | (101,598) |
| Total Expenditures | 21,478,335 | 21,912,543 | 27,899,903 | (5,987,360) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,265,377) | (311,319) | (4,688,704) | (4,377,385) |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from long term debt | | | 4,355,000 | 4,355,000 |
| Transfers in | | | 161,603 | 161,603 |
| Transfers (out) | (1,926,429) | (2,262,429) | (2,163,747) | 98,682 |
| Total other financing sources (uses) | (1,926,429) | (2,262,429) | 2,352,856 | 4,615,285 |
| NET CHANGE IN FUND BALANCE | (\$3,191,806) | (\$2,573,748) | (2,335,848) | \$237,900 |
| BEGINNING FUND BALANCE | | | 17,536,138 | |
| ENDING FUND BALANCE | | | \$15,200,290 | |

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, 2022

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------|---|
| | Final | Actual | |
| REVENUES: | | | |
| Use of money and property | | (\$26,347) | (\$26,347) |
| Total Revenues | | (26,347) | (26,347) |
| EXPENDITURES: | | | |
| Current: | | | |
| Public works | | 196,655 | (196,655) |
| Total Expenditures | | 196,655 | (196,655) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | (223,002) | (223,002) |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from sales of capital assets | | 2,200,008 | |
| Total Other Financing Sources (Uses) | | 2,200,008 | |
| NET CHANGE IN FUND BALANCE | | 1,977,006 | (\$223,002) |
| BEGINNING FUND BALANCE | | 2,490,265 | |
| ENDING FUND BALANCE | | \$4,467,271 | |

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

CalPERS Miscellaneous Cost-Sharing Defined Benefit Pension Plan

As of fiscal year ending June 30, 2022

Last 10 Years*

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

| Measurement Date | Miscellaneous Plan | | | | |
|---|---------------------------|------------------|------------------|------------------|------------------|
| | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 |
| 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, 2022

| Miscellaneous Plan | | |
|---------------------------|------------------|------------------|
| 6/30/2019 | 6/30/2020 | 6/30/2021 |
| 0.28626% | 0.29337% | 0.21971% |
| \$11,463,436 | \$12,374,693 | \$4,171,920 |
| \$5,116,913 | \$5,681,738 | \$6,036,451 |
| 224.03% | 217.80% | 69.11% |
| 26.21% | 27.01% | 10.94% |

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

CalPERS Miscellaneous Cost-Sharing Defined Benefit Pension Plan

As of fiscal year ending June 30, 2022

Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

| Fiscal Year Ended June 30, | 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) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| 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% |
| Notes to Schedule | | | | | |
| 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 | 2.50% | | | | |
| Salary increases | Varies by Entry Age and Service | | | | |
| Investment rate of return | 7.15%, net of pension plan investment and administrative expenses, including inflation | | | | |
| Retirement age | 55 yrs. Misc., 60 yrs. Tier 2, 62 yrs. Tier 3 | | | | |
| 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 15 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, 2022

| Miscellaneous Plan | | |
|---------------------------|-------------|-------------|
| 2020 | 2021 | 2022 |
| \$1,321,787 | \$1,485,149 | \$1,637,353 |
| (1,321,787) | (1,485,149) | (1,637,353) |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$5,681,738 | \$6,036,451 | \$6,608,303 |
| 23.26% | 24.60% | 24.78% |
| 6/30/2018 | 6/30/2019 | 6/30/2020 |

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

CalPERS Safety Cost-Sharing Defined Benefit Pension Plan

As of fiscal year ending June 30, 2022

Last 10 Years *

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

| Measurement Date | Safety Plan | | | | |
|---|--------------------|------------------|------------------|------------------|------------------|
| | 6/30/2014 | 6/30/2015 | 6/30/2016 | 6/30/2017 | 6/30/2018 |
| 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 it's 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, 2022

| | Safety Plan | |
|------------------|--------------------|------------------|
| 6/30/2019 | 6/30/2020 | 6/30/2021 |
| 0.18250% | 0.18910% | 0.34669% |
| \$11,392,654 | \$12,598,788 | \$12,166,933 |
| \$3,205,518 | \$3,087,221 | \$3,479,518 |
| 355.41% | 408.09% | 349.67% |
| 25.38% | 26.58% | 19.13% |

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

CalPERS Safety Cost-Sharing Defined Benefit Pension Plan

As of fiscal year ending June 30, 2022

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 | \$1,074,377 |
| Contributions in relation to the actuarially determined contributions | (544,677) | (446,822) | (824,601) | (928,535) | (1,074,377) |
| Contribution deficiency (excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| 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% | 33.52% |
| Notes to Schedule | | | | | |
| 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 | Varies by Entry Age and Service | | | | |
| Investment rate of return | 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, 2022

| Safety Plan | | |
|--------------------|-------------|-------------|
| 2020 | 2021 | 2022 |
| \$1,210,715 | \$1,400,561 | \$1,571,251 |
| (1,210,715) | (1,400,561) | (1,571,251) |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$3,087,221 | \$3,479,518 | \$3,877,024 |
| 39.22% | 40.25% | 40.53% |
| 6/30/2018 | 6/30/2019 | 6/30/2020 |

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

PARS Miscellaneous Plan, Agent-Multiple Employer Defined Benefit Plan
Last 10 Years *

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

| Measurement Date, June 30: | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------------|------------------|------------------|------------------|------------------|
| Plan total pension liability | | | | | |
| 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 | | | | | |
| Net change in total pension liability | 43,199 | 76,811 | 23,862 | 63,864 | 57,491 |
| Total pension liability - beginning | 378,473 | 421,672 | 498,483 | 522,345 | 586,209 |
| Total pension liability - ending (a) | \$421,672 | \$498,483 | \$522,345 | \$586,209 | \$643,700 |
| Plan fiduciary net position | | | | | |
| 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 |
| Net change in plan fiduciary net position | 27,109 | 19,405 | 59,648 | 46,458 | 65,841 |
| Plan fiduciary net position - beginning | 342,254 | 369,363 | 388,768 | 448,416 | 494,874 |
| Plan fiduciary net position - ending (b) | \$369,363 | \$388,768 | \$448,416 | \$494,874 | \$560,715 |
| Plan net pension liability (asset) - ending (a)-(b) | \$52,309 | \$109,715 | \$73,929 | \$91,335 | \$82,985 |
| 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 (asset) 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

* 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, 2022

| 2020 | 2021 | 2022 |
|------------------|-------------------|------------------|
| \$17,181 | \$17,525 | \$16,841 |
| 42,958 | 43,510 | 47,433 |
| 11,610 | | 21,424 |
| (63,596) | | (38,013) |
| 8,153 | 61,035 | 47,685 |
| 643,700 | 651,853 | 712,888 |
| <u>\$651,853</u> | <u>\$712,888</u> | <u>\$760,573</u> |
| (\$2,940) | (\$3,530) | (\$3,980) |
| 18,504 | 138,590 | (108,805) |
| 37,400 | 37,400 | 37,400 |
| 52,964 | 172,460 | (75,385) |
| 560,715 | 613,679 | 786,139 |
| <u>\$613,679</u> | <u>\$786,139</u> | <u>\$710,754</u> |
| <u>\$38,174</u> | <u>(\$73,251)</u> | <u>\$49,819</u> |
| 94.14% | 110.28% | 93.45% |
| \$251,940 | \$263,451 | \$263,451 |
| 15.15% | -27.80% | 18.91% |

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

PARS Miscellaneous Plan, Agent-Multiple Employer Defined Benefit Plan
Last 10 Years *

SCHEDULE OF CONTRIBUTIONS

| Fiscal Year ended June 30: | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------|-----------|-----------|-----------|-----------|
| Actuarially determined contributions | \$20,560 | \$21,117 | \$21,158 | \$21,158 | \$35,337 |
| Contributions in relation to the actuarially determined contributions | (20,560) | (21,117) | (21,158) | (21,158) | (35,337) |
| 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% |
| Notes to Schedule | | | | | |
| 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 | 2.50% |
| Salary increases | 2.00% |
| Investment rate of return | 6.5%, net of pension plan investment expense, including inflation (7.0% for fiscal year 2016 and prior) |
| Retirement age | 100% retirement assumed at age 65 |
| Mortality | 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. |

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

Source: City's general ledger and PARS Actuarial Valuation

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

| <u>2020</u> | <u>2021</u> | <u>2022</u> |
|--------------------------|--------------------------|--------------------------|
| \$37,400 | \$37,400 | \$37,400 |
| <u>(37,400)</u> | <u>(37,400)</u> | <u>(37,400)</u> |
| <u><u> </u></u> | <u><u> </u></u> | <u><u> </u></u> |
| \$251,940 | \$263,451 | \$263,451 |
| 14.84% | 14.20% | 14.20% |
| 6/30/2018 | 6/30/2019 | 6/30/2021 |

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2022

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

| For the Measurement Period Ended June 30 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|
| Total OPEB Liability | | | | | |
| Service Cost | \$220,254 | \$213,187 | \$218,316 | \$192,805 | \$216,149 |
| Interest | 562,248 | 443,442 | 464,182 | 534,815 | 534,725 |
| Changes of benefit terms | | | | | |
| Differences between expected and actual experience | (905,016) | | 1,384,906 | (131,962) | (1,567,041) |
| Changes of assumptions | (1,676,108) | 16,310 | (664,205) | 392,074 | 213,210 |
| Benefit Payments | (246,909) | (219,950) | (241,551) | (253,735) | (245,509) |
| Implicit rate subsidy fulfilled | (162,600) | (104,418) | (93,910) | (122,211) | (141,442) |
| Net change in Total OPEB Liability | (2,208,131) | 348,571 | 1,067,738 | 611,786 | (989,908) |
| Total OPEB Liability at beginning of year | 8,980,463 | 7,027,752 | 7,376,323 | 8,444,061 | 9,055,847 |
| Total OPEB Liability at end of year | 6,772,332 | \$7,376,323 | \$8,444,061 | \$9,055,847 | \$8,065,939 |
| Plan Fiduciary Net Position | | | | | |
| Contributions - employer | \$346,909 | \$619,950 | \$641,551 | \$853,735 | \$678,405 |
| Implicitly subsidy - employer | 162,600 | 104,418 | 93,910 | 122,211 | 745,509 |
| Contributions - member | | | | | |
| Net investment income | 74,661 | 79,874 | 121,293 | 105,672 | 141,442 |
| Benefit payments | (246,909) | (219,950) | (241,551) | (253,735) | (245,509) |
| Implicit rate subsidy fulfilled | (162,600) | (104,418) | (93,910) | (122,211) | (141,442) |
| Administrative expenses | (1,353) | (3,123) | (4,352) | (14,509) | (19,916) |
| Net change in Plan Fiduciary Net Position | 173,308 | 476,751 | 516,941 | 691,163 | 1,158,489 |
| Plan Fiduciary Net Position at beginning of year | 1,022,421 | 1,195,729 | 1,672,480 | 2,189,421 | 2,880,584 |
| Plan Fiduciary Net Position at end of year | \$1,195,729 | \$1,672,480 | \$2,189,421 | \$2,880,584 | \$4,039,073 |
| City's Net OPEB Liability (Asset) at end of year | \$5,576,603 | \$5,703,843 | \$6,254,640 | \$6,175,263 | \$4,026,866 |
| Plan's Fiduciary Net Position as percentage of Total OPEB Liability | 17.0% | 22.7% | 25.9% | 31.8% | 50.1% |
| Covered Payroll | \$6,789,392 | \$6,976,100 | \$7,088,924 | \$8,425,996 | \$9,305,238 |
| Net OPEB Liability as percentage of covered-employee payroll | 85.90% | 81.80% | 88.23% | 73.30% | 43.30% |

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, 2022

OPEB Plan
Schedule of Employer Contributions
Last Ten Fiscal Years*

| For the Fiscal Year Ended June 30 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|------------------|--------------------|-------------------|--------------------|--------------------|
| Actuarially determined contributions | \$794,015 | \$621,742 | \$672,857 | \$711,821 | \$586,593 |
| Contributions in relation to the actuarially determined contribution | 509,509 | 724,368 | 735,461 | 975,946 | 886,951 |
| Contributions deficiency (excess) | <u>\$284,506</u> | <u>(\$102,626)</u> | <u>(\$62,604)</u> | <u>(\$264,125)</u> | <u>(\$300,358)</u> |
| Covered Payroll | \$6,789,392 | \$6,976,100 | \$7,088,924 | \$8,425,996 | \$9,305,238 |
| Contributions as a percentage of covered payroll | 7.50% | 10.38% | 10.37% | 11.58% | 9.53% |

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

| | |
|---|--|
| Valuation date | 6/30/2021 |
| 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 Measurement Date |
| Inflation | 5.50% |
| Projected salary increases | 2.75% |
| Healthcare trend rate | 7.00%, trending down to 4.04% |
| PEMHCA trend rate | 3.00% |
| Discount rate, net of investment expenses | 5.39% |
| Retirement rate | CalPERS Rates |
| Mortality rate | CalPERS Rates |
| Expected return on plan assets | 21.74% |

* 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, 2022

| |
|--|
| NOTES TO REQUIRED SUPPLEMENTARY INFORMATION |
|--|

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, Contract Employees, Tree Plant and Habitat Conservation 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, 2022, 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.

SUPPLEMENTAL INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

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%).

Measure W Fund. The County of San Mateo voters approved a half cent sales tax measure in 2019 which is designated for congestion relief. The sales tax revenues received pursuant to Measure W 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. Receives and disburses the City's share of state gasoline tax collections in accordance with the provisions of California's Traffic Congestion Relief Act of 2000. Revenues reflect loan payments received over five years through the Traffic Congestion Relief Program.

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.

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|---|
| NON-MAJOR GOVERNMENTAL FUNDS (Continued) |
|---|

Habitat Conservation. Established to account for new development fees dedicated to habitat conservation as part of the San Mateo County San Bruno Mountain Habitat Conservation Plan. The Plan is a landmark environmental regulatory document that aims to protect endangered butterfly and snake species native to San Bruno Mountain while allowing for the development of privately owned parcels within the HCP area. In Brisbane, the HCP area includes privately owned land in the Brisbane Acres subarea, Southwest Bayshore subarea, Northeast Ridge, Guadalupe Hills, and other hillside properties in the northwest Bayshore subarea.

SB1 Road Maintenance and Rehabilitation. Receives and disburses the City's share of funding from California's Road Repair and Accountability Act of 2017 (SB1). SB1 established fuel taxes and vehicle fees to fund local road maintenance, safety improvements and complete street improvements including facilities for bicycles and pedestrians. Revenues received before fiscal year 2021 were reported as part of Fund 200 (Gas Tax).

ARPA. The State of and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act (ARPA) was signed into law by President Biden in March 2021. The bill established funds allocated to recovering from the pandemic and restoring the economy. The US Department of the Treasury is responsible for oversight and to administer these payments to the State of California for non-entitlement cities (population less than 50,000), which includes the City of Brisbane. The City was allocated a total of \$1,117,402 to be paid in two separate and equal tranches. The first payment of \$558,701 was received in July 2021, and the second installment is expected in July 2022. All funds must be obligated by December 2024, and agencies have until December 2026 to fully expend their funds to use the funds for qualifying programs. This fund was created to monitor the payments received and related expenditures.

DEBT SERVICE FUNDS

Brisbane Public Financing Authority:

2006 Pension Obligation Bonds Fund. This fund accounts for the debt service for the 2006 Pension Obligation Bonds issued August 2006. These bonds were issued to refund a portion of the City's obligations to PERS.

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.

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.

| |
|---|
| NON-MAJOR GOVERNMENTAL FUNDS (Continued) |
|---|

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.

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, 2022

SPECIAL REVENUE FUNDS

| | Gas Tax | Measure A | Measure W | Sierra Point Landscape & Lighting |
|-------------------------------------|------------------|------------------|-----------------|---|
| ASSETS | | | | |
| Cash and investments | \$336,623 | \$416,271 | \$88,690 | \$995,890 |
| Accounts receivable, net | | | | |
| Interest receivable | 560 | 940 | 200 | 2,248 |
| Taxes receivable | 9,473 | 16,075 | | |
| | | | | |
| Total Assets | <u>\$346,656</u> | <u>\$433,286</u> | <u>\$88,890</u> | <u>\$998,138</u> |
| LIABILITIES | | | | |
| Accounts payable | | | | \$40,037 |
| Accrued payroll | | | | 2,558 |
| Due to other funds | | | | |
| Deposits payable | | | | |
| Unearned Revenue | | | | |
| | | | | |
| Total Liabilities | | | | <u>42,595</u> |
| FUND BALANCE | | | | |
| Restricted | \$346,656 | \$433,286 | \$88,890 | 955,543 |
| Assigned | | | | |
| Unassigned | | | | |
| | | | | |
| Total Fund Balances | <u>346,656</u> | <u>433,286</u> | <u>88,890</u> | <u>955,543</u> |
| | | | | |
| Total Liabilities and Fund Balances | <u>\$346,656</u> | <u>\$433,286</u> | <u>\$88,890</u> | <u>\$998,138</u> |

SPECIAL REVENUE FUNDS

| Grants | NPDES | Traffic Congestion Relief | Fire Training | Contract Employees | Public Arts | Tree Plant |
|-----------------|---------------------|------------------------------|------------------|-----------------------|--------------------|-----------------|
| \$57,220 | \$197 | \$10,843 | \$3,373 | \$225,239 | \$1,340,317 | \$12,753 |
| 129 | | 24 | 8 | 509 | 3,026 | 29 |
| <u>\$57,349</u> | <u>\$197</u> | <u>\$10,867</u> | <u>\$3,381</u> | <u>\$225,748</u> | <u>\$1,343,343</u> | <u>\$12,782</u> |
| | \$3,972 8,000 | | | | | |
| \$606 | | | | | | |
| <u>606</u> | <u>11,972</u> | | | | | |
| 56,743 | | \$10,867 | \$3,381 | \$225,748 | \$1,343,343 | \$12,782 |
| | 97,381 (109,156) | | | | | |
| <u>56,743</u> | <u>(11,775)</u> | <u>10,867</u> | <u>3,381</u> | <u>225,748</u> | <u>1,343,343</u> | <u>12,782</u> |
| <u>\$57,349</u> | <u>\$197</u> | <u>\$10,867</u> | <u>\$3,381</u> | <u>\$225,748</u> | <u>\$1,343,343</u> | <u>\$12,782</u> |

(Continued)

CITY OF BRISBANE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | DEBT SERVICE FUNDS | |
|-------------------------------------|------------------------------------|--|--------------------|-------------------------------------|------------------------------------|
| | Habitat Conservation Program | SB1 Road Maintenance and Rehabilitation | ARPA | 2006 Pension Obligation Bonds | 2001 Revenue Bonds, Series B |
| ASSETS | | | | | |
| Cash and investments | \$46,770 | | \$534,753 | | \$21 |
| Accounts receivable, net | | | 558,701 | | |
| Interest receivable | 106 | \$177 | | | |
| Taxes receivable | | 8,776 | | | |
| Total Assets | <u>\$46,876</u> | <u>\$8,953</u> | <u>\$1,093,454</u> | | <u>\$21</u> |
| LIABILITIES | | | | | |
| Accounts payable | | | | | |
| Accrued payroll | | | \$9 | | |
| Due to other funds | | \$10,236 | | \$7,788 | |
| Deposits payable | \$45,971 | | | | |
| Unearned Revenue | | | | | |
| Total Liabilities | <u>45,971</u> | <u>10,236</u> | <u>9</u> | <u>7,788</u> | |
| FUND BALANCE | | | | | |
| Restricted | 905 | | 1,093,445 | | \$21 |
| Assigned | | (1,283) | | (7,788) | |
| Unassigned | | | | | |
| Total Fund Balances | <u>905</u> | <u>(1,283)</u> | <u>1,093,445</u> | <u>(7,788)</u> | <u>21</u> |
| Total Liabilities and Fund Balances | <u>\$46,876</u> | <u>\$8,953</u> | <u>\$1,093,454</u> | | <u>\$21</u> |

DEBT SERVICE FUNDS

| 2005 Revenue Bonds, Series A | 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 |
|------------------------------------|------------------------------------|---|--|---|
| \$157,705 | | | | \$1,178,375 |
| <u>\$157,705</u> | <u></u> | <u></u> | <u></u> | <u>\$1,178,375</u> |
| \$4,130 | | | | \$129,260 |
| | \$1,010 | \$3,101 | | |
| <u>4,130</u> | <u>1,010</u> | <u>3,101</u> | <u></u> | <u>129,260</u> |
| 153,575 | | | | 1,049,115 |
| | (1,010) | (3,101) | | |
| <u>153,575</u> | <u>(1,010)</u> | <u>(3,101)</u> | <u></u> | <u>1,049,115</u> |
| <u>\$157,705</u> | <u></u> | <u></u> | <u></u> | <u>\$1,178,375</u> |

(Continued)

CITY OF BRISBANE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2022

| | CAPITAL PROJECT FUNDS | | | |
|-------------------------------------|----------------------------|------------------|---------------------|--|
| | Facilities Construction | South Hill | Park Development | Total Nonmajor Governmental Funds |
| ASSETS | | | | |
| Cash and investments | \$3,593,087 | \$163,067 | \$1,931,052 | \$11,092,246 |
| Accounts receivable, net | | | | 558,701 |
| Interest receivable | 8,112 | 368 | 4,360 | 20,796 |
| Taxes receivable | | | | 34,324 |
| | <u>\$3,601,199</u> | <u>\$163,435</u> | <u>\$1,935,412</u> | <u>\$11,706,067</u> |
| LIABILITIES | | | | |
| Accounts payable | | | | \$177,399 |
| Accrued payroll | | | | 10,567 |
| Due to other funds | | | | 22,135 |
| Deposits payable | \$11,018 | | | 57,595 |
| Unearned Revenue | | | \$527,901 | 527,901 |
| | <u>11,018</u> | <u></u> | <u>527,901</u> | <u>795,597</u> |
| Total Liabilities | | | | |
| FUND BALANCE | | | | |
| Restricted | | | | 5,774,300 |
| Assigned | 3,590,181 | \$163,435 | 1,407,511 | 5,258,508 |
| Unassigned | | | | (122,338) |
| | <u>3,590,181</u> | <u>163,435</u> | <u>1,407,511</u> | <u>10,910,470</u> |
| Total Fund Balances | | | | |
| | <u>\$3,601,199</u> | <u>\$163,435</u> | <u>\$1,935,412</u> | <u>\$11,706,067</u> |
| Total Liabilities and Fund Balances | | | | |

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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, 2022

| | SPECIAL REVENUE FUNDS | | | |
|--|-----------------------|-----------|-----------|---|
| | Gas Tax | Measure A | Measure W | Sierra Point Landscape & Lighting |
| GOVERNMENTAL REVENUES | | | | |
| Taxes and special assessments | | \$304,784 | \$100,060 | \$525,970 |
| Intergovernmental | \$114,038 | | | |
| Licenses, permits and fees | | | | |
| Use of money and property | (2,511) | (4,072) | (852) | (11,038) |
| Other revenues | | | | |
| Total Revenues | 111,527 | 300,712 | 99,208 | 514,932 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General governments | | | | |
| Public works | | | | 430,394 |
| Capital outlay | | | | |
| Debt service: | | | | |
| Principal | | | | |
| Interest and fiscal charges | | | | |
| Total Expenditures | | | | 430,394 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 111,527 | 300,712 | 99,208 | 84,538 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | | |
| Transfers out | (39,280) | (224,891) | (20,916) | |
| Total Other Financing Sources (Uses) | (39,280) | (224,891) | (20,916) | |
| NET CHANGES IN FUND BALANCES | 72,247 | 75,821 | 78,292 | 84,538 |
| BEGINNING FUND BALANCES (DEFICITS) | 274,409 | 357,465 | 10,598 | 871,005 |
| ENDING FUND BALANCES (DEFICITS) | \$346,656 | \$433,286 | \$88,890 | \$955,543 |

SPECIAL REVENUE FUNDS

| Grants | NPDES | Traffic Congestion Relief | Fire Training | Contract Employees | Public Arts | Tree Plant |
|-----------|----------------|------------------------------|------------------|-----------------------|----------------|---------------|
| \$166,285 | \$43,940 | | | | | |
| (315) | 2,303 (818) | (\$120) | (\$36) | (\$2,394) | (\$14,578) | (\$139) |
| | | | | 102,351 | 299,304 | 1,050 |
| 165,970 | 45,425 | (120) | (36) | 99,957 | 284,726 | 911 |
| | | | | | 57,113 | |
| | 488,797 | | | 119,117 | | |
| | | | | | | |
| | 488,797 | | | 119,117 | 57,113 | |
| | | | | | | |
| 165,970 | (443,372) | (120) | (36) | (19,160) | 227,613 | 911 |
| | | | | | | |
| (161,603) | 441,500 | | | | | |
| (161,603) | 441,500 | | | | | |
| | | | | | | |
| 4,367 | (1,872) | (120) | (36) | (19,160) | 227,613 | 911 |
| | | | | | | |
| 52,376 | (9,903) | 10,987 | 3,417 | 244,908 | 1,115,730 | 11,871 |
| \$56,743 | (\$11,775) | \$10,867 | \$3,381 | \$225,748 | \$1,343,343 | \$12,782 |

(Continued)

CITY OF BRISBANE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | SPECIAL REVENUE FUNDS | | | DEBT SERVICE FUNDS | |
|--|------------------------------------|--|-------------|-------------------------------------|------------------------------------|
| | Habitat Conservation Program | SB1 Road Maintenance and Rehabilitation | ARPA | 2006 Pension Obligation Bonds | 2001 Revenue Bonds, Series B |
| GOVERNMENTAL REVENUES | | | | | |
| Taxes and special assessments | | | | | |
| Intergovernmental | | \$92,832 | \$558,701 | | |
| Licenses, permits and fees | | | | | |
| Use of money and property | (\$507) | (755) | 43 | | |
| Other revenues | | | | | |
| | (507) | 92,077 | 558,744 | | |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General governments | | | 24,000 | | |
| Public works | | | | | |
| Capital outlay | | | | | |
| Debt service: | | | | | |
| Principal | | | | | |
| Interest and fiscal charges | | | | \$303 | |
| Total Expenditures | | | 24,000 | 303 | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (507) | 92,077 | 534,744 | (303) | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | | | 558,701 | | |
| Transfers out | | (88,598) | | | |
| Total Other Financing Sources (Uses) | | (88,598) | 558,701 | | |
| NET CHANGES IN FUND BALANCES | (507) | 3,479 | 1,093,445 | (303) | |
| BEGINNING FUND BALANCES (DEFICITS) | 1,412 | (4,762) | | (7,485) | \$21 |
| ENDING FUND BALANCES (DEFICITS) | \$905 | (\$1,283) | \$1,093,445 | (\$7,788) | \$21 |

(Continued)

CITY OF BRISBANE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2022

| | CAPITAL PROJECT FUNDS | | | |
|--|----------------------------|------------|---------------------|--|
| | Facilities Construction | South Hill | Park Development | Total Nonmajor Governmental Funds |
| GOVERNMENTAL REVENUES | | | | |
| Taxes and special assessments | | | | \$974,754 |
| Intergovernmental | | | | 931,856 |
| Licenses, permits and fees | | | | 2,303 |
| Use of money and property | (\$39,435) | (\$1,800) | (\$20,664) | (99,991) |
| Other revenues | | | | 402,705 |
| Total Revenues | (39,435) | (1,800) | (20,664) | 2,211,627 |
| EXPENDITURES | | | | |
| Current: | | | | |
| General governments | | | | 81,113 |
| Public works | | | | 1,038,308 |
| Capital outlay | | 4,709 | | 4,709 |
| Debt service: | | | | |
| Principal | | | | 832,333 |
| Interest and fiscal charges | | | | 212,674 |
| Total Expenditures | | 4,709 | | 2,169,137 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (39,435) | (6,509) | (20,664) | 42,490 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | | | | 1,915,472 |
| Transfers out | | | | (535,288) |
| Total Other Financing Sources (Uses) | | | | 1,380,184 |
| NET CHANGES IN FUND BALANCES | (39,435) | (6,509) | (20,664) | 1,422,674 |
| BEGINNING FUND BALANCES (DEFICITS) | 3,629,616 | 169,944 | 1,428,175 | 9,487,796 |
| ENDING FUND BALANCES (DEFICITS) | \$3,590,181 | \$163,435 | \$1,407,511 | \$10,910,470 |

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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, 2022

| | SPECIAL REVENUE FUNDS | | | | | |
|--|-----------------------|-----------|------------------------------------|-----------|-----------|------------------------------------|
| | GAS TAX | | | MEASURE A | | |
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| GOVERNMENTAL REVENUES | | | | | | |
| Taxes and special assessments | | | | \$200,000 | \$304,784 | \$104,784 |
| Intergovernmental | \$183,000 | \$114,038 | (\$68,962) | | | |
| Licenses, permits and fees | | | | | | |
| Use of money and property | | (2,511) | (2,511) | | (4,072) | (4,072) |
| Other revenues | | | | | | |
| Total Revenues | 183,000 | 111,527 | (71,473) | 200,000 | 300,712 | 100,712 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General governments | | | | | | |
| Public works | | | | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | | | | | |
| Total Expenditures | | | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 183,000 | 111,527 | (71,473) | 200,000 | 300,712 | 100,712 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | | | | | | |
| Transfers out | | (39,280) | (39,280) | | (224,891) | (224,891) |
| Total Other Financing Sources (Uses) | | (39,280) | (39,280) | | (224,891) | (224,891) |
| NET CHANGES IN FUND BALANCES | \$183,000 | 72,247 | (\$110,753) | \$200,000 | 75,821 | (\$124,179) |
| BEGINNING FUND BALANCES (DEFICITS) | | 274,409 | | | 357,465 | |
| ENDING FUND BALANCES (DEFICITS) | | \$346,656 | | | \$433,286 | |

SPECIAL REVENUE FUNDS

| MEASURE W | | | SIERRA POINT LANDSCAPING & LIGHTING | | | GRANTS | | |
|-----------|-----------|------------------------------------|--|-----------|------------------------------------|--------|-----------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| | \$100,060 | \$100,060 | \$590,000 | \$525,970 | (\$64,030) | | \$166,285 | \$166,285 |
| | (852) | (852) | | (11,038) | (11,038) | | (315) | (315) |
| | 99,208 | 99,208 | 590,000 | 514,932 | (75,068) | | 165,970 | 165,970 |
| | | | 633,653 | 430,394 | 203,259 | | | |
| | | | 633,653 | 430,394 | 203,259 | | | |
| | 99,208 | 99,208 | (43,653) | 84,538 | 128,191 | | 165,970 | 165,970 |
| | (20,916) | (20,916) | | | | | (161,603) | (161,603) |
| | (20,916) | (20,916) | | | | | (161,603) | (161,603) |
| | 78,292 | \$78,292 | (\$43,653) | 84,538 | \$128,191 | | 4,367 | \$4,367 |
| | 10,598 | | | 871,005 | | | 52,376 | |
| | \$88,890 | | | \$955,543 | | | \$56,743 | |

(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, 2022

| SPECIAL REVENUE FUNDS | | | | | |
|--|-----------|------------|------------------------------------|------------------------------|------------------------------------|
| | NPDES | | | Traffic Congestion Relief | |
| | Budget | Actual | Variance Positive (Negative) | Budget | Variance Positive (Negative) |
| GOVERNMENTAL REVENUES | | | | | |
| Taxes and special assessments | \$51,000 | \$43,940 | (\$7,060) | | |
| Intergovernmental | | | | | |
| Licenses, permits and fees | 2,000 | 2,303 | 303 | | |
| Use of money and property | | (818) | (818) | | |
| Other revenues | | | | | |
| | | | | | |
| Total Revenues | 53,000 | 45,425 | (7,575) | | |
| | | | | | |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General governments | | | | | |
| Public works | 541,322 | 488,797 | 52,525 | | |
| Capital outlay | | | | | |
| Debt service: | | | | | |
| Principal | | | | | |
| Interest and fiscal charges | | | | | |
| | | | | | |
| Total Expenditures | 541,322 | 488,797 | 52,525 | | |
| | | | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (488,322) | (443,372) | 44,950 | | |
| | | | | | |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 606,226 | 441,500 | (164,726) | | |
| Transfers out | | | | | |
| | | | | | |
| Total Other Financing Sources (Uses) | 606,226 | 441,500 | (164,726) | | |
| | | | | | |
| NET CHANGE IN FUND BALANCES | \$117,904 | (1,872) | (\$119,776) | | |
| | | | | | |
| BEGINNING FUND BALANCES (DEFICITS) | | (9,903) | | 10,987 | |
| | | | | | |
| ENDING FUND BALANCES (DEFICITS) | | (\$11,775) | | \$10,867 | |

SPECIAL REVENUE FUNDS

| PUBLIC ARTS FUND | | | SB1 ROAD MAINTENANCE AND REHABILITATION | | | ARPA | | |
|------------------|-------------|------------------------------------|--|-----------|------------------------------------|----------|-------------|------------------------------------|
| Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| | | | | \$92,832 | \$92,832 | \$92,832 | \$558,701 | \$465,869 |
| | (\$14,578) | (\$14,578) | | (755) | (755) | (755) | 43 | 798 |
| | 299,304 | 299,304 | | | | | | |
| | 284,726 | 284,726 | | 92,077 | 92,077 | 92,077 | 558,744 | 466,667 |
| | | | | | | | | |
| | 57,113 | | | | | | 24,000 | (24,000) |
| | | | | | | | | |
| | 57,113 | | | | | | 24,000 | (24,000) |
| | 227,613 | 227,613 | | 92,077 | 92,077 | 92,077 | 534,744 | 442,667 |
| | | | | | | | | |
| | | | | (88,598) | (88,598) | | 558,701 | 558,701 |
| | | | | (88,598) | (88,598) | | 558,701 | 558,701 |
| | 227,613 | \$227,613 | | 3,479 | \$3,479 | \$92,077 | 1,093,445 | \$1,001,368 |
| | 1,115,730 | | | (4,762) | | | | |
| | \$1,343,343 | | | (\$1,283) | | | \$1,093,445 | |

(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, 2022

| | DEBT SERVICE FUNDS | | | | | |
|--|----------------------------------|-----------|------------------------------------|---------------------------------|--------|------------------------------------|
| | 2006 PENSION OBLIGATION BONDS | | | 2001 REVENUE BONDS, SERIES B | | |
| | Budget | Actual | Variance Positive (Negative) | Budget | Actual | Variance Positive (Negative) |
| GOVERNMENTAL REVENUES | | | | | | |
| Taxes and special assessments | | | | | | |
| Intergovernmental | | | | | | |
| Licenses, permits and fees | | | | | | |
| Use of money and property | | | | | | |
| Other revenues | | | | | | |
| | | | | | | |
| Total Revenues | | | | | | |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General governments | | | | | | |
| Public works | | | | | | |
| Capital outlay | | | | | | |
| Debt service: | | | | | | |
| Principal | | | | | | |
| Interest and fiscal charges | | \$303 | (\$303) | | | |
| | | | | | | |
| Total Expenditures | | 303 | (303) | | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | | (303) | (303) | | | |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | | | | | | |
| Transfers out | | | | | | |
| | | | | | | |
| Total Other Financing Sources (Uses) | | | | | | |
| NET CHANGE IN FUND BALANCES | | (303) | (\$303) | | | |
| BEGINNING FUND BALANCES (DEFICITS) | | (7,485) | | | \$21 | |
| ENDING FUND BALANCES (DEFICITS) | | (\$7,788) | | | \$21 | |

(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, 2022

| | DEBT SERVICE FUNDS | | |
|--|---|---------------------------|------------------------------------|
| | 2018 LIBRARY CONSTRUCTION LOAN | | |
| | Budget | Actual | Variance Positive (Negative) |
| GOVERNMENTAL REVENUES | | | |
| Taxes and special assessments | | | |
| Intergovernmental | | | |
| Licenses, permits and fees | | | |
| Use of money and property | | | |
| Other revenues | | | |
| Total Revenues | | | |
| EXPENDITURES | | | |
| Current: | | | |
| General governments | | | |
| Public works | | | |
| Capital outlay | | | |
| Debt service: | | | |
| Principal | | \$113,333 | (\$113,333) |
| Interest and fiscal charges | \$34,470 | 16,095 | 18,375 |
| Total Expenditures | 34,470 | 129,428 | (94,958) |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (34,470) | (129,428) | (94,958) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | | | |
| Transfers out | | | |
| Total Other Financing Sources (Uses) | | | |
| NET CHANGE IN FUND BALANCES | <u>(\$34,470)</u> | <u>(129,428)</u> | <u>(\$94,958)</u> |
| BEGINNING FUND BALANCES (DEFICITS) | | <u>1,178,543</u> | |
| ENDING FUND BALANCES (DEFICITS) | | <u><u>\$1,049,115</u></u> | |

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 childcare 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, 2022

| | Dental Self-Insurance | Fringe Benefits | Flexible Benefits | General Liability |
|--|--------------------------|--------------------|----------------------|----------------------|
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash and investments | | \$144,631 | \$48 | \$3,027 |
| Restricted cash and investments | | | | |
| Accounts receivable, net | | 97,353 | 2,977 | |
| Interest receivable | \$1 | 327 | | |
| | | | | |
| Total Assets | 1 | 242,311 | 3,025 | 3,027 |
| LIABILITIES | | | | |
| Current Liabilities: | | | | |
| Accounts payable and accrued liabilities | 22,725 | 139,920 | 2,936 | |
| Due to other funds | 101,909 | | 1,768 | 534,903 |
| Accrued payroll | | 75,876 | | |
| Accrued claims payable | | | | 25,266 |
| | | | | |
| Total Current Liabilities | 124,634 | 215,796 | 4,704 | 560,659 |
| Noncurrent Liabilities: | | | | |
| Accrued claims payable | | | | 38,001 |
| | | | | |
| Total Liabilities | 124,634 | 215,796 | 4,704 | 598,660 |
| NET POSITION | | | | |
| Unrestricted | (124,633) | 26,515 | (1,679) | (595,633) |
| | | | | |
| Total Net Position (Deficits) | (\$124,633) | \$26,515 | (\$1,679) | (\$595,633) |

| Workers' Compensation | OPEB Fund | Vehicle Replacement Fund | Facilities Maintenance | Total |
|--------------------------|--------------|--------------------------------|---------------------------|-------------|
| \$503,455 | \$890,338 | \$745,581 | \$289,259 | \$2,576,339 |
| 168,730 | | | | 168,730 |
| | | | 653 | 100,983 |
| 1,137 | 2,010 | 1,683 | | 5,158 |
| 673,322 | 892,348 | 747,264 | 289,912 | 2,851,210 |
| 4,837 | 303 | 1,615 | | 172,336 |
| | | 13,683 | | 652,263 |
| 10,248 | | | | 86,124 |
| 309,000 | | | | 334,266 |
| 324,085 | 303 | 15,298 | | 1,245,479 |
| 721,000 | | | | 759,001 |
| 1,045,085 | 303 | 15,298 | | 2,004,480 |
| (371,763) | 892,045 | 731,966 | 289,912 | 846,730 |
| (\$371,763) | \$892,045 | \$731,966 | \$289,912 | \$846,730 |

CITY OF BRISBANE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022

| | Dental Self-Insurance | Fringe Benefits | Flexible Benefits | General Liability |
|--|--------------------------|--------------------|----------------------|----------------------|
| OPERATING REVENUES | | | | |
| Charges for sales and services | | | | \$715,992 |
| Other revenue | | | | |
| Total Operating Revenues | | | | 715,992 |
| OPERATING EXPENSES | | | | |
| Cost of sales and services | | | | |
| General and administrative | | | | 946,731 |
| Other expenses | | | | |
| Total Operating Expenses | | | | 946,731 |
| Operating Income (Loss) | | | | (230,739) |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment earnings | (\$42) | (\$1,296) | (\$7) | 1,436 |
| Total Nonoperating Revenues (Expenses) | (42) | (1,296) | (7) | 1,436 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES | (42) | (1,296) | (7) | (229,303) |
| Transfers in | | | | |
| Change in Net Position | (42) | (1,296) | (7) | (229,303) |
| BEGINNING NET POSITION (DEFICIT) | (124,591) | 27,811 | (1,672) | (366,330) |
| ENDING NET POSITION (DEFICIT) | (\$124,633) | \$26,515 | (\$1,679) | (\$595,633) |

| Workers' Compensation | OPEB Fund | Vehicle Replacement Fund | Facilities Maintenance | Total |
|--------------------------|--------------|--------------------------------|---------------------------|-------------|
| \$626,232 | \$605,274 | | | \$1,947,498 |
| (2,808) | | \$15,171 | | 12,363 |
| 623,424 | 605,274 | 15,171 | | 1,959,861 |
| | 24,835 | | | 24,835 |
| 920,464 | | | \$202,252 | 2,069,447 |
| 90,997 | 334,177 | 77,458 | | 502,632 |
| 1,011,461 | 359,012 | 77,458 | 202,252 | 2,596,914 |
| (388,037) | 246,262 | (62,287) | (202,252) | (637,053) |
| (5,922) | (9,464) | (8,396) | (3,640) | (27,331) |
| (5,922) | (9,464) | (8,396) | (3,640) | (27,331) |
| (393,959) | 236,798 | (70,683) | (205,892) | (664,384) |
| | | 263,820 | | 263,820 |
| (393,959) | 236,798 | 193,137 | (205,892) | (400,564) |
| 22,196 | 655,247 | 538,829 | 495,804 | 1,247,294 |
| (\$371,763) | \$892,045 | \$731,966 | \$289,912 | \$846,730 |

CITY OF BRISBANE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

| | Dental Self-Insurance | Fringe Benefits | Flexible Benefits | General Liability |
|---|--------------------------|--------------------|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received to/ from customers | | \$58,474 | (\$2,780) | \$711,409 |
| Cash payments to suppliers | \$551 | | | (925,818) |
| Cash Flows from Operating Activities | 551 | 58,474 | (2,780) | (214,409) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Due to other funds receipts | (508) | | | 215,510 |
| Transfers in | | | | |
| Cash Flows from Noncapital Financing Activities | (508) | | | 215,510 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest paid | (43) | | | 1,926 |
| Interest income | | (1,573) | (5) | |
| Cash Flows from Investing Activities | (43) | (1,573) | (5) | 1,926 |
| Net Cash Flows | | 56,901 | (2,785) | 3,027 |
| Cash and investments at beginning of period | | 87,730 | 2,833 | |
| Cash and investments at end of period | | \$144,631 | \$48 | \$3,027 |
| Reconciliation of operating income (loss) to net cash flows from operating activities: | | | | |
| Operating income (loss) | | | | (\$230,739) |
| Adjustments to reconcile operating income to net cash flows from operating activities: | | | | |
| Accounts receivable | | \$15,046 | | |
| Accounts payable and accrued liabilities | \$551 | 4,268 | (\$2,780) | (4,583) |
| Accrued payroll | | 39,160 | | |
| Accrued claims payable | | | | 20,913 |
| Cash Flows from Operating Activities | \$551 | \$58,474 | (\$2,780) | (\$214,409) |

| Workers' Compensation | OPEB Fund | Replacement Vehicle Fund | Facilities Maintenance | Total |
|--------------------------|--------------|--------------------------------|---------------------------|-------------------|
| \$623,424 | \$605,577 | \$15,171 | (\$58,415) | \$1,952,860 |
| (759,490) | (359,012) | (78,070) | (202,252) | (2,324,091) |
| (136,066) | 246,565 | (62,899) | (260,667) | (371,231) |
| | | 3,440 | | 218,442 |
| | | 263,820 | | 263,820 |
| | | 267,260 | | 482,262 |
| (6,711) | (11,119) | (9,781) | (3,640) | 1,883 (32,829) |
| (6,711) | (11,119) | (9,781) | (3,640) | (30,946) |
| (142,777) | 235,446 | 194,580 | (264,307) | 80,085 |
| 814,962 | 654,892 | 551,001 | 553,566 | 2,664,984 |
| \$672,185 | \$890,338 | \$745,581 | \$289,259 | \$2,745,069 |
| (\$388,037) | \$246,262 | (\$62,287) | (\$202,252) | (\$637,053) |
| (361) | 303 | (612) | (353) | 14,693 |
| 4,332 | | | (58,062) | (61,276) |
| 248,000 | | | | 43,492 |
| | | | | 268,913 |
| (136,066) | \$246,565 | (\$62,899) | (\$260,667) | (\$371,231) |

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| |
|------------------------|
| CUSTODIAL FUNDS |
|------------------------|

CUSTODIAL FUNDS included the following funds:

Developer Deposits

Other Custodial Funds

Northeast Ridge Assessment District 2013 Refunding Bonds Fund

HCP Sierra Tower Development

Peninsula Corridor Electrification

San Mateo County Training Consortium

Orchard Partners Quarry Development Fund

CITY OF BRISBANE
CUSTODIAL FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022

| | Custodial Funds | | | |
|--|-------------------------------|-----------------------------|--|------------------------------------|
| | Developer Deposits Fund | Other Custodial Funds | Northeast Ridge Assessment District 2013 Refunding Bonds Fund | HCP Sierra Tower Development |
| ASSETS | | | | |
| Cash and investments | \$1,581,403 | \$10,007 | \$23,559 | \$146,996 |
| Accounts receivable, net | 88,811 | | | |
| Interest receivable | 2,348 | | | |
| Total Assets | 1,672,562 | 10,007 | 23,559 | 146,996 |
| LIABILITIES | | | | |
| Accounts payable | 29,740 | | | |
| Deposits payable | 3,219,153 | 8,217 | | |
| Total Liabilities | 3,248,893 | 8,217 | | |
| NET POSITION | | | | |
| Restricted for organizations and other governments | (\$1,576,331) | \$1,790 | \$23,559 | \$146,996 |

| Custodial Funds | | | |
|--|--|---|---------------|
| Peninsula Corridor Electrification Project Fund | San Mateo County Training Consortium Fund | Orchard Partners Quarry Development Fund | Total |
| \$26,336 | | | \$1,788,301 |
| | \$13,639 | \$10,507 | 112,957 |
| 59 | | | 2,407 |
| 26,395 | 13,639 | 10,507 | 1,903,665 |
| | | | |
| | 2,000 | 18,648 | 50,388 |
| 25,000 | | | 3,252,370 |
| 25,000 | 2,000 | 18,648 | 3,302,758 |
| | | | |
| \$1,395 | \$11,639 | (\$8,141) | (\$1,399,093) |

CITY OF BRISBANE
 COMBINING STATEMENT OF CHANGES IN NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2022

| | Custodial Funds | | | |
|---|-------------------------------|-----------------------------|--|------------------------------------|
| | Developer Deposits Fund | Other Custodial Funds | Northeast Ridge Assessment District 2013 Refunding Bonds Fund | HCP Sierra Tower Development |
| ADDITIONS | | | | |
| Investment income | | \$149 | (\$41) | |
| Other revenue | \$53,751 | | | \$146,996 |
| Total additions | 53,751 | 149 | (41) | 146,996 |
| DEDUCTIONS | | | | |
| Professional services | 442,432 | | | |
| Payments to bondholders | | | 12,500 | |
| Total deductions | 442,432 | | 12,500 | |
| CHANGES IN NET POSITION | (388,681) | 149 | (12,541) | 146,996 |
| BEGINNING NET POSITION (DEFICIT), AS RESTATED | (1,187,650) | 1,641 | 36,100 | |
| ENDING NET POSITION (DEFICIT) | (\$1,576,331) | \$1,790 | \$23,559 | \$146,996 |

| Custodial Funds | | | |
|--|--|---|--------------------|
| Peninsula Corridor Electrification Project Fund | San Mateo County Training Consortium Fund | Orchard Partners Quarry Development Fund | Total |
| (\$289) | \$122,941 | | (\$181) 323,688 |
| (289) | 122,941 | | 323,507 |
| | 94,633 | \$8,141 | 545,206 12,500 |
| | 94,633 | 8,141 | 557,706 |
| (289) | 28,308 | (8,141) | (234,199) |
| 1,684 | (16,669) | | (1,164,894) |
| \$1,395 | \$11,639 | (\$8,141) | (\$1,399,093) |

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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, 2022, and have issued our report thereon dated April 18, 2023. 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) as a basis for designing 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 financial statements. 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*.

We have also issued a separate Memorandum on Internal Control dated April 18, 2023, which is an integral part of our audit and should be read in conjunction with this report.

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 April 18, 2023, which is an integral part of our audit 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 results 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.

Maze & Associates

Pleasant Hill, California
April 18, 2023

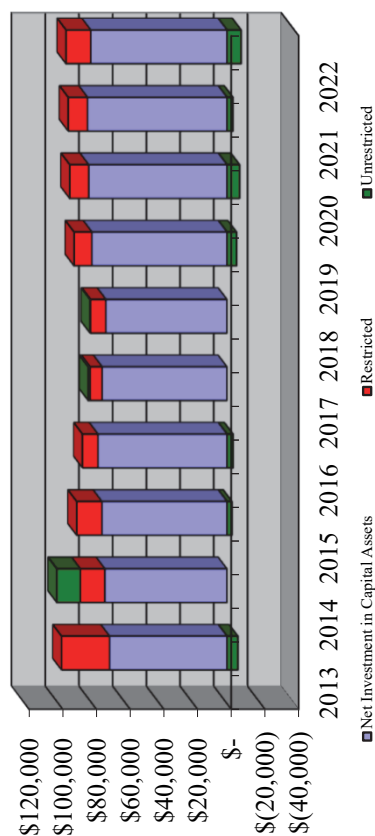
STATISTICAL INFORMATION

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)



| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Governmental activities | | | | | | | | | | |
| Invested in capital assets, | | | | | | | | | | |
| net of related debt | | | | | | | | | | |
| Restricted | \$37,751 | \$46,027 | \$47,358 | \$47,876 | \$44,304 | \$43,424 | \$50,918 | \$54,101 | \$55,504 | \$53,735 |
| Unrestricted | 26,255 | 12,292 | 12,698 | 6,934 | 6,373 | 8,314 | 9,841 | 10,470 | 10,688 | 13,862 |
| | (7,609) | 10,882 | (5,099) | (3,507) | 945 | (3,630) | (9,112) | (12,721) | (9,339) | (12,570) |
| Total governmental activities net position | \$56,397 | \$69,201 | \$54,957 | \$51,303 | \$51,622 | \$48,108 | \$51,647 | \$51,850 | \$56,853 | \$55,027 |
| Business-type activities | | | | | | | | | | |
| Invested in capital assets, | | | | | | | | | | |
| net of related debt | | | | | | | | | | |
| Restricted | \$31,832 | \$26,368 | \$26,815 | \$28,599 | \$29,708 | \$28,342 | \$29,149 | \$27,898 | \$27,156 | \$27,057 |
| Unrestricted | 2,251 | 2,251 | 2,251 | 2,251 | 759 | 759 | 759 | 758 | 759 | 759 |
| | 1,105 | 3,037 | 2,092 | (161) | 170 | 3,936 | 3,423 | 5,194 | 5,733 | 4,138 |
| Total business-type activities net position | \$35,188 | \$31,656 | \$31,158 | \$30,689 | \$30,637 | \$33,037 | \$33,331 | \$33,850 | \$33,648 | \$31,954 |
| Primary government | | | | | | | | | | |
| Invested in capital assets, | | | | | | | | | | |
| net of related debt | | | | | | | | | | |
| Restricted | \$69,583 | \$72,395 | \$74,173 | \$76,475 | \$74,012 | \$71,766 | \$80,067 | \$81,999 | \$82,660 | \$80,792 |
| Unrestricted | 28,506 | 14,543 | 14,949 | 9,185 | 7,132 | 9,073 | 10,600 | 11,228 | 11,447 | 14,621 |
| | (6,504) | 13,919 | (3,007) | (3,668) | 1,115 | 305 | (5,689) | (7,527) | (3,606) | (8,432) |
| Total primary government net position | \$91,585 | \$100,857 | \$86,115 | \$81,992 | \$82,259 | \$81,144 | \$84,978 | \$85,700 | \$90,501 | \$86,981 |

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-----------|-----------|-----------|------------|------------|------------|------------|------------|------------|------------|
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General Government | \$5,584 | \$4,485 | \$4,195 | \$5,357 | \$5,718 | \$7,446 | \$6,871 | \$9,780 | \$11,358 | \$8,694 |
| Public Safety - police | 3,282 | 3,314 | 3,918 | 4,189 | 4,758 | 5,225 | 5,694 | 5,313 | 4,789 | 6,108 |
| Public Safety - fire | 3,004 | 2,528 | 2,602 | 2,782 | 2,812 | 3,576 | 3,661 | 3,629 | 3,838 | 5,763 |
| Public Works | 2,832 | 3,378 | 3,684 | 3,542 | 3,734 | 3,883 | 4,094 | 5,061 | 4,776 | 4,267 |
| Parks and Recreation | - | 1,802 | 1,955 | 2,023 | 2,338 | 2,388 | 2,393 | 2,699 | 1,622 | 2,648 |
| Interest on Long-Term Debt (Unallocated) | 2,009 | 1,245 | 999 | 647 | 433 | 630 | 419 | 294 | 248 | 185 |
| Total Governmental Activities Expenses | 16,711 | 16,752 | 17,353 | 18,540 | 19,793 | 23,148 | 23,132 | 26,776 | 26,631 | 27,665 |
| Business-Type Activities: | | | | | | | | | | |
| Utility | 4,542 | 4,344 | 4,656 | 5,654 | 5,442 | 5,368 | 6,261 | 5,952 | 6,667 | 7,502 |
| Marina | 3,313 | 1,438 | A | 1,623 | A | 1,808 | A | 1,662 | 1,621 | 1,647 |
| Total Business-Type Activities Expenses | 7,855 | 5,782 | 6,279 | 7,462 | 7,382 | 7,030 | 7,882 | 7,667 | 7,984 | 9,149 |
| Total Primary Government Expenses | \$24,566 | \$22,534 | \$23,632 | \$26,002 | \$27,175 | \$30,178 | \$31,014 | \$34,443 | \$34,615 | \$36,814 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| General Government | \$1,665 | \$3,803 | \$4,635 | \$5,226 | \$5,319 | \$6,517 | \$6,959 | \$8,070 | \$9,515 | \$8,339 |
| Public Safety - police | 124 | 151 | 54 | 60 | 52 | 58 | 127 | 56 | 46 | 131 |
| Public Safety - fire | 119 | 128 | 179 | 275 | 315 | 714 | 499 | 463 | 1,453 | 1,063 |
| Public Works | 2,088 | 3,252 | 3,115 | 1,120 | 1,408 | 1,179 | 1,382 | 990 | 952 | 466 |
| Parks and Recreation | - | 506 | 526 | 571 | 597 | 588 | 667 | 483 | 317 | 666 |
| Operating Grants and Contributions | 91 | 88 | 117 | 158 | 209 | 342 | 624 | 332 | 1,055 | 1,214 |
| Capital Grants and Contributions | 3,083 | 1,396 | 930 | 352 | 152 | 238 | 88 | 225 | 507 | - |
| Total Government Activities Program Revenues | 7,170 | 9,324 | 9,556 | 7,762 | 8,052 | 9,636 | 10,346 | 10,619 | 13,845 | 11,879 |
| Business-Type Activities: | | | | | | | | | | |
| Charges for Services: | | | | | | | | | | |
| Utility | 5,622 | 5,466 | 5,764 | 5,276 | 5,717 | 8,085 | 6,009 | 6,049 | 5,681 | 5,473 |
| Parks and Recreation | 2,388 | 1,614 | A | 1,529 | A | 2,206 | 2,099 | 2,293 | 2,339 | 2,303 |
| Capital Grants and Contributions | - | - | - | - | 456 | - | - | - | - | - |
| Total Business-Type Activities Program Revenue | 8,010 | 7,080 | 7,293 | 6,928 | 7,878 | 10,291 | 8,108 | 8,342 | 8,020 | 7,776 |
| Total Primary Government Program Revenues | \$15,180 | \$16,404 | \$16,849 | \$14,690 | \$15,930 | \$19,927 | \$18,454 | \$18,961 | \$21,865 | \$19,655 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | (\$9,541) | (\$7,428) | (\$7,797) | (\$10,778) | (\$11,741) | (\$13,512) | (\$12,786) | (\$16,157) | (\$12,786) | (\$15,786) |
| Business-Type Activities | 155 | 1,298 | 1,014 | (534) | 496 | 3,261 | 226 | 675 | 36 | (1,373) |
| Total Primary Government Net Expense | (\$9,386) | (\$6,130) | (\$6,783) | (\$11,312) | (\$11,245) | (\$10,251) | (\$12,560) | (\$15,482) | (\$12,750) | (\$17,159) |

(continued)

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

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------|----------|---------|-----------|----------|----------|----------|----------|----------|-----------|
| General Revenues and Other Changes in Net Assets | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Taxes: | | | | | | | | | | |
| Property Taxes | \$3,518 | \$2,816 | \$3,162 | \$3,258 | \$3,342 | \$3,662 | \$4,372 | \$4,711 | \$5,513 | \$5,257 |
| Sales Taxes | 2,863 | 2,529 | 3,333 | 3,843 | 4,408 | 4,678 | 5,609 | 6,640 | 7,652 | 5,792 |
| Motor Vehicle In-Lieu | 2 | - | - | - | - | - | - | - | - | - |
| Transient Occupancy Tax | 1,668 | 2,038 | 2,447 | 2,786 | 2,768 | 2,886 | 2,890 | 2,072 | 850 | 1,653 |
| Business License Tax | 2,898 | - | - | - | - | - | - | - | - | - |
| Other Taxes | 2,055 | 649 | 909 | 1,056 | 1,423 | 1,118 | 2,243 | 1,713 | 1,626 | 1,635 |
| Developer Contributions | - | - | - | - | - | - | - | - | - | - |
| Interest Earnings | 1,516 | 947 | - | 182 | 100 | 106 | 704 | 356 | 288 | (426) |
| Miscellaneous | 337 | 335 | - | 48 | 14 | 23 | 422 | 756 | 1,730 | 33 |
| Gain on sale of land held | - | - | - | - | - | - | - | - | 131 | - |
| Transfers, net | (834) | 4,914 | 681 | 54 | 5 | 120 | 85 | 111 | (2) | 16 |
| Extraordinary Item | - | - | - | - | - | - | - | - | - | - |
| 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 | 14,023 | 20,231 | 10,532 | 7,128 | 12,060 | 12,593 | 16,325 | 16,359 | 17,788 | 13,960 |
| Business-Type Activities: | | | | | | | | | | |
| Other Taxes | 33 | 30 | 30 | 30 | 30 | 81 | 33 | 32 | 35 | 35 |
| Interest Earnings | 51 | 55 | 51 | 88 | (574) | (387) | 60 | (135) | (334) | (401) |
| Miscellaneous | - | - | - | - | - | - | - | - | - | - |
| Developer Contribution | - | - | - | - | - | - | 60 | 60 | 60 | 60 |
| Intergovernmental | - | - | - | - | - | - | - | - | - | - |
| Transfers and Other | 834 | (4,914) | (681) | (54) | (5) | (120) | (85) | (111) | 2 | (16) |
| Total Business-Type Activities | 918 | (4,829) | (600) | 64 | (549) | (426) | 68 | (154) | (237) | (322) |
| Total Primary Government | \$14,941 | \$15,402 | \$9,932 | \$7,192 | \$11,511 | \$12,167 | \$16,393 | \$16,205 | \$17,551 | \$13,638 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$4,482 | \$12,803 | \$2,735 | (\$3,650) | \$319 | (\$919) | \$3,539 | \$202 | \$5,002 | (\$1,826) |
| Business-Type Activities | 1,073 | (3,531) | 414 | (470) | (53) | 2,835 | 294 | 521 | (201) | (1,695) |
| Total Primary Government | \$5,555 | \$9,272 | \$3,149 | (\$4,120) | \$266 | \$1,916 | \$3,833 | \$723 | \$4,801 | (\$3,521) |

(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)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| General Fund | | | | | | | | | | |
| Reserved | | | | | | | | | | |
| Unreserved | | | | | | | | | | |
| Nonspendable | \$3,475 | \$3,384 | \$3,291 | \$3,315 | \$2,594 | \$2,437 | \$1,818 | \$3,968 | \$3,844 | \$3,752 |
| Restricted | - | - | - | - | 107 | 114 | 530 | 1,162 | 1,414 | 1,225 |
| Assigned | 192 | 274 | 295 | 221 | 253 | 274 | 821 | 842 | 842 | 842 |
| Unassigned | 7,388 | 8,484 | 8,957 | 7,745 | 8,702 | 8,628 | 7,949 | 6,465 | 11,436 | 9,382 |
| Total General Fund | \$11,055 | \$12,142 | \$12,543 | \$11,281 | \$11,656 | \$11,453 | \$11,118 | \$12,437 | \$17,536 | \$15,201 |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | | | | \$154 | \$80 | | | | | |
| Restricted | \$24,306 | \$9,428 | \$9,658 | 3,965 | 3,861 | \$6,061 | \$6,725 | \$6,683 | \$6,777 | \$10,241 |
| Assigned | 1,703 | 2,982 | 3,666 | 3,762 | 3,813 | 3,837 | 3,914 | 3,998 | 5,325 | 5,258 |
| Unassigned | (207) | (312) | (488) | (561) | (1,331) | (1,609) | (1,244) | (4,708) | (6,503) | (6,525) |
| Total all other governmental funds | \$25,802 | \$12,098 | \$12,836 | \$7,320 | \$6,423 | \$8,289 | \$9,395 | \$5,973 | \$5,599 | \$8,974 |

Source: City of Brisbane Annual Comprehensive 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, | | | |
|--|----------------------------|------------|----------|-----------|
| | 2013 | 2014 | 2015 | 2016 |
| Revenues | | | | |
| Taxes and special assessments | \$9,607 | \$9,501 | \$11,258 | \$11,400 |
| Intergovernmental | 1,120 | 360 | 665 | 420 |
| Licenses, permits, and fees | 3,429 | 4,162 | 3,978 | 3,234 |
| Charges for services | 233 | 2,579 | 2,090 | 2,158 |
| Fines and forfeitures | 58 | 60 | 40 | 51 |
| Use of money and property | 1,587 | 1,026 | 255 | 269 |
| Other revenues | 3,924 | 452 | 1,390 | 735 |
| Total Revenues | 19,958 | 18,140 | 19,676 | 18,267 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,998 | 3,570 | 3,780 | 4,472 |
| Public safety-police | 2,950 | 3,038 | 3,611 | 4,071 |
| Public safety-fire | 2,314 | 2,247 | 2,300 | 2,586 |
| Public works | 2,776 | 2,473 | 2,748 | 2,896 |
| Parks and recreation | - | 1,630 A | 1,775 | 1,821 |
| Library | 25 | 27 | 28 | 28 |
| Capital outlay | 1,499 | 1,083 | 1,232 | 838 |
| Debt service: | | | | |
| Principal repayment | 2,567 | 16,135 | 6,938 | 2,546 |
| Interest and fiscal charges | 2,012 | 1,347 | 1,036 | 686 |
| Total Expenditures | 18,141 | 31,550 | 23,448 | 19,944 |
| Excess (deficiency) of revenues over (under) expenditures | 1,817 | (13,410) | (3,772) | (1,677) |
| Other Financing Sources (Uses) | | | | |
| Premium on refunding bonds issued | 1,486 | 1,004 | 88 | - |
| Proceeds from sale of property/assets | - | - | 292 | - |
| Proceeds from long-term debt | 1,611 | 63 | 5,470 | - |
| Payment to refunded debt escrow agent | - | - | - | - |
| Transfer in | 1,809 | 1,672 | 7,800 | 2,369 |
| Transfer out | (2,856) | (1,946) | (8,740) | (3,371) |
| Extraordinary item | - | - | - | - |
| Special item | - | - | - | (4,099) |
| Total other financing sources (uses) | 2,050 | 793 | 4,910 | (5,101) |
| Net change in fund balances | \$3,867 | (\$12,617) | \$1,138 | (\$6,778) |
| Debt service as a percentage of noncapital expenditures | 27.5% | 57.4% | 35.9% | 16.9% |

(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.

| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|----------|----------|----------|-----------|----------|----------|
| \$12,069 | \$12,873 | \$14,606 | \$15,261 | \$15,744 | \$14,685 |
| 651 | 511 | 919 | 1,229 | 1,626 | 1,154 |
| 4,312 | 4,198 | 6,623 | 5,810 | 6,988 | 5,643 |
| 2,507 | 2,751 | 3,662 | 3,132 | 3,461 | 3,380 |
| 48 | 50 | 66 | 43 | 31 | 110 |
| 156 | 175 | 855 | 508 | 352 | (338) |
| 552 | 1,190 | 974 | 838 | 3,307 | 1,216 |
| 20,295 | 21,748 | 27,705 | 26,821 | 31,509 | 25,850 |
| 4,647 | 5,534 | 5,823 | 7,299 | 7,728 | 8,487 |
| 4,390 | 4,628 | 4,917 | 4,991 | 4,804 | 5,287 |
| 2,402 | 3,035 | 3,357 | 3,535 | 3,829 | 4,517 |
| 2,972 | 3,245 | 3,637 | 3,758 | 3,848 | 4,082 |
| 2,139 | 2,192 | 2,200 | 2,504 | 1,622 | 2,455 |
| | - | - | - | - | - |
| 2,085 | 802 | 4,243 | 4,674 | 3,707 | 5,125 |
| 1,036 | 1,147 | 649 | 924 | 858 | 846 |
| 446 | 485 | 422 | 298 | 253 | 318 |
| 20,117 | 21,068 | 25,248 | 27,983 | 26,649 | 31,117 |
| 178 | 680 | 2,457 | (1,162) | 4,860 | (5,266) |
| - | - | - | - | - | - |
| - | - | - | - | 131 | 4,355 |
| - | 3,330 | - | - | - | 2,200 |
| - | (1,738) | - | - | - | - |
| 2,131 | 2,112 | 5,331 | 2,087 | 2,418 | 2,451 |
| (2,831) | (2,722) | (7,017) | (3,028) | (2,684) | (2,699) |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| (700) | 982 | (1,686) | (941) | (135) | 6,307 |
| (\$522) | \$1,662 | \$771 | (\$2,103) | \$4,725 | \$1,041 |
| 8.2% | 8.1% | 5.1% | 5.2% | 4.6% | 4.2% |

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 ¹ | Sales Tax ² | Gas Tax ³ | Franchise Tax | Transfer Tax | TOT Tax | Business License Tax | Total |
|-------------|---------------------------|------------------------|----------------------|---------------|--------------|---------|----------------------|----------|
| 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 |
| 2020 | 5,160 | 6,863 | 191 | 900 | 177 | 2,072 | 3,950 | 19,313 |
| 2021 | 5,433 | 7,935 | 107 | 863 | 66 | 850 | 4,582 | 19,834 |
| 2022 | 5,167 | 6,197 | 114 | 1,023 | 75 | 1,648 | 4,345 | 18,569 |

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

² Sales tax includes Measure A sales tax, Measure W sales tax, Public Safety Sales Tax, General Sales Taxes and Sales Tax/Property Tax Swap

³ Gas tax shown in ACFR as intergovernment, and Business License Tax as Licenses and Permits.

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 | |
| 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 |
| 2020 | 2,210,071 | 240,078 | 15,892 | 2,434,258 |
| 2021 | 2,571,845 | 238,376 | 28,261 | 2,781,960 |
| 2022 | 2,961,771 | 266,493 | 28,486 | 3,199,778 |

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

| Redevelopment Agency | | | | Total |
|----------------------|-----------|---------------------|------------------------------|--------------------|
| Secured | Unsecured | Less: Exemptions | Taxable Assessed Value | Direct Tax Rate |
| | | | | 1.0921 |
| | | | | 1.1048 |
| | | | | 1.0991 |
| | | | | 1.1080 |
| | | | | 1.1282 |
| | | | | 1.1276 |
| | | | | 1.1126 |
| | | | | 1.1267 |
| | | | | 1.1543 |
| | | | | 1.1190 |

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 | |
| 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 |
| 2020 | 1.0000 | 0.0190 | 0.0811 | 0.0266 | 1.1267 |
| 2021 | 1.0000 | 0.0388 | 0.0942 | 0.0213 | 1.1543 |
| 2022 | 1.0000 | 0.0313 | 0.0650 | 0.0227 | 1.1190 |

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 | 2022 | | | 2013 | | |
|------------------------------------|--------------------|------|--------------------|------------------|------|--------------------|
| | Taxable | Rank | % of Total | Taxable | Rank | % of Total |
| | Assessed | | Assessed | Assessed | | Assessed |
| | Value | | Value ¹ | Value | | Value ² |
| Slough Brisbane LLC | \$306,303 | 1 | 11.29% | \$41,621 | 5 | 3.02% |
| HCP Life Science REIT Inc. | 240,656 | 2 | 8.87% | | | |
| DCT Valley Dr CA LLP | 124,790 | 3 | 4.60% | 61,606 | 2 | 4.47% |
| Oyster Point Properties Inc. | 121,192 | 4 | 4.47% | 102,392 | 1 | 7.42% |
| BMR Bayshore Blvd LLC | 117,353 | 5 | 4.33% | 23,875 | 10 | 1.73% |
| PPF OFF 7000 Marina Blvd. LP | 80,941 | 6 | 2.98% | | | |
| IAC San Francisco LLC | 67,528 | 7 | 2.49% | 57,062 | 3 | 4.14% |
| M & L Associates | 58,286 | 8 | 2.15% | | | |
| Summit Hospitality 114 LLC | 45,537 | 9 | 1.68% | | | |
| BP3 SF4 1000 Marina LLC | 40,843 | 10 | 1.51% | | | |
| Prologis USLV SUBREIT 4 LLC | 29,754 | 11 | 1.10% | | | |
| SNH Brisbane CA LLC | 28,413 | 12 | 1.05% | | | |
| CP6BT LLC | 23,374 | 13 | 0.86% | | | |
| BRE SH Brisbane Owner LLC | 23,208 | 14 | 0.86% | | | |
| BP3 SF5 3000 3500 Marina LLC | 22,215 | 15 | 0.82% | | | |
| Harrison 325 LP | 19,075 | 16 | 0.70% | | | |
| Valley 325 LP | 18,938 | 17 | 0.70% | | | |
| LYF Investment Group LLC | 16,830 | 18 | 0.62% | | | |
| Recology Properties Inc | 16,382 | 19 | 0.60% | | | |
| South Hill 99 LP | 15,504 | 20 | 0.57% | | | |
| 2000 Sierra Point Parkway LLC | | | | 42,112 | 4 | 3.05% |
| SRI Seven Marina LLC | | | | 34,598 | 7 | 2.51% |
| Diamond Marina LLC | | | | 30,090 | 8 | 2.18% |
| Fund VIII 1000 Marina LLC | | | | 26,400 | 9 | 1.91% |
| William D. and C.A. Spencer Trust | | | | 34,965 | 6 | 2.53% |
| Barulich Properties LLC | | | | 12,871 | 13 | 0.93% |
| Brisbane Lodging LP | | | | 12,437 | 14 | 0.90% |
| Tuntex Properties Inc. | | | | 18,283 | 11 | 1.33% |
| CPI Sage Hotels Brisbane Owner LLC | | | | 15,550 | 12 | 1.13% |
| Rolling Frito-Lay Sales | | | | 11,524 | 15 | 0.84% |
| SFPP | | | | 11,172 | 16 | 0.81% |
| 150 Spear Street Associates | | | | 10,904 | 17 | 0.79% |
| DLC Brisbane | | | | 9,500 | 18 | 0.69% |
| Sierra Hotel Management Corp | | | | 8,342 | 20 | 0.69% |
| Sierra Point Investors LLC | | | | 8,495 | 19 | 0.60% |
| Total | <u>\$1,417,122</u> | | <u>52.24%</u> | <u>\$573,799</u> | | <u>41.66%</u> |

Source:

CA Municipal Statistics

⁽¹⁾ 2021-2022 Local Secured Assessed Valuation: \$2,712,957

⁽²⁾ 2012-2013 Local Secured Assessed Valuation: \$1,379,664

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 ¹ | | Collections in Subsequent Years ¹ | Total Collections to Date | |
|----------------|--------------------------------------|--|------------|--|---------------------------|------------|
| | | Amount | Percentage | | Amount | Percentage |
| 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% |
| 2020 | 4,283 | 4,283 | 100% | n/a | 4,283 | 100% |
| 2021 | 5,532 | 5,532 | 100% | n/a | 5,532 | 100% |
| 2022 | 5,277 | 5,277 | 100% | n/a | 5,277 | 100% |

¹ Teeter Plan

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 | | | |
| 2013 | \$29,272 | \$0 | \$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 |
| 2020 | 5,700 | - | 2,615 | 9,881 | 30 | 18,226 | n/a | 3,934 |
| 2021 | 5,266 | - | 2,160 | 9,130 | 2 | 16,558 | n/a | 3,413 |
| 2022 | 4,901 | - | 6,032 | 8,340 | - | 19,273 | n/a | 4,129 |

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 ¹ | Per Capita |
|-------------|---------------------|--|----------|--|------------|
| 2013 | \$12,489 | \$472 | \$12,017 | 0.76% | 2716.25% |
| 2014 | 11,706 | 357 | 11,350 | 0.72% | 2539.04% |
| 2015 | 11,084 ² | 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% |
| 2020 | 8,198 | 0 | 8,198 | 0.34% | 1769.55% |
| 2021 | 7,362 | 0 | 7,362 | 0.26% | 1517.62% |
| 2022 | 6,773 | 0 | 6,773 | 0.21% | 1450.94% |

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

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

² Restated

City of Brisbane
Direct and Overlapping Governmental Activities Debt
As of June 30, 2022
(amounts expressed in thousands)

2021-22 Assessed Valuation: \$2,971,523,710 ⁽¹⁾

| | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|--|---------------------|---------------------------------------|--|
| Overlapping Tax and Assessment Debt: | | | |
| San Mateo Community College District | \$733,897,184 | 1.116% | \$8,190,293 |
| Jefferson Union High School District | 250,808,014 | 11.672% | 29,274,311 |
| Bayshore School District | 11,529,821 | 18.675% | 2,153,194 |
| Brisbane School District | 24,851,439 | 60.241% | 14,970,755 |
| Total Gross Overlapping Tax and Assessment Debt | | | \$54,588,553 |
| Direct and Overlapping General Fund Debt: | | | |
| San Mateo County General Fund Obligations | \$612,605,687 | 1.116% | \$6,836,679 |
| San Mateo County Board of Education Certificates of Participation | 6,490,000 | 1.116% | 72,428 |
| Jefferson Union High School District General Fund Obligations | 47,490,000 | 11.672% | 5,543,033 |
| City of Brisbane General Fund Obligations | 9,256,000 | 100.000% | 9,256,000 |
| City of Brisbane Pension Obligations Bonds | 382,000 | 100.000% | 382,000 |
| San Mateo County Mosquito and Vector Control District General Fund Obligations | 3,825,000 | 1.116% | 42,687 |
| Total Direct and Overlapping General Fund Debt | | | \$22,132,827 |
| Overlapping Tax Increment Debt (Successor Agency): | | | |
| Tax Allocation Bonds | \$6,615,000 | 100.000% | \$6,615,000 |
| Revenue Bonds | - | 100.000% | - |
| | | | \$6,615,000 |
| Total Direct Debt | | | \$9,638,000 |
| Total Overlapping Debt | | | \$73,698,380 |
| Combined Total Debt | | | \$83,336,380 ¹ |

¹ 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 | | |
|---|--------------------|-------------|-------------|
| | 2013 | 2014 | 2015 |
| Debt Limit | \$59,526 | \$59,474 | \$63,551 |
| Total net debt applicable to limit | 12,017 | 11,350 | 10,777 |
| Legal debt margin | \$47,509 | \$48,124 | \$52,774 |
| Total net debt applicable to the limit as a percentage of debt limit | 20.19% | 19.08% | 16.96% |
| Legal Debt Margin Calculation for Fiscal Year 2021: | | | |
| Assessed value ¹ | \$1,587,354 | \$1,585,973 | \$1,694,694 |
| Add back: exempt real property ¹ | - | - | - |
| Total assessed value ¹ | 1,587,354 | 1,585,973 | 1,694,694 |
| Debt limit (3.75% of total assessed value) | 59,526 | 59,474 | 63,551 |
| Debt applicable to limit: | | | |
| General bonded debt | 12,489 | 11,706 | 11,084 |
| Less: Amount set aside for repayment of general bonded debt | 472 | 357 | 307 |
| Total net debt applicable to limit | 12,017 | 11,350 | 10,777 |
| Legal debt margin | 47,509 | 48,124 | 52,774 |

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.

¹Source: California Municipal Statistics Inc
Assessed Value excludes incremental assessed valuation applicable to the Brisbane Community Redevelopment Agency

City of Brisbane has no general obligation bonds.

| Fiscal Year Ending | | | | | | |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| \$67,829 | \$71,289 | \$76,534 | \$84,756 | \$91,492 | \$104,530 | \$111,432 |
| 9,903 | 8,904 | 9,717 | 9,101 | 8,198 | 7,362 | 6,773 |
| \$57,926 | \$62,384 | \$66,817 | \$75,655 | \$83,294 | \$97,168 | \$104,659 |
| 14.60% | 12.49% | 12.70% | 10.74% | 8.96% | 7.04% | 6.08% |
| \$1,808,762 | \$1,901,034 | \$2,040,900 | \$2,260,160 | \$2,439,789 | \$2,787,459 | \$2,971,524 |
| - | - | - | - | - | - | - |
| 1,808,762 | 1,901,034 | 2,040,900 | 2,260,160 | 2,439,789 | 2,787,459 | 2,971,524 |
| 67,829 | 71,289 | 76,534 | 84,756 | 91,492 | 104,530 | 111,432 |
| 10,139 | 9,124 | 9,729 | 9,101 | 8,198 | 7,362 | 6,773 |
| 236 | 220 | 12 | 0 | 0 | 0 | 0 |
| 9,903 | 8,904 | 9,717 | 9,101 | 8,198 | 7,362 | 6,773 |
| 57,926 | 62,384 | 66,817 | 75,655 | 83,294 | 97,168 | 104,659 |

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 | |
| 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 | 6,329 | 5,367 | 963 | 320 | 296 | 616 | 156.34% |
| 2019-2020 | 6,280 | 5,354 | 926 | 340 | 273 | 613 | 151.02% |
| 2020-2021 | 6,468 | 7,004 | (535) | 360 | 262 | 622 | -86.14% |
| 2021-2022 | 6,185 | 7,823 | (1,638) | 385 | 243 | 628 | -260.80% |

| Installment Sales Agreement | | | | | | | |
|-----------------------------|----------------|--------------------------|-----------------------|---------------------------|----------|-------|------------|
| Fiscal Year | Gross Revenues | Less: Operating Expenses | Net Available Revenue | Debt Service Requirements | | | Coverage % |
| | | | | Principal | Interest | Total | |
| 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% |
| 2019-2020 | 2,333 | 1,598 | 735 | 379 | 102 | 481 | 152.70% |
| 2020-2021 | 2,353 | 1,421 | 932 | 391 | 91 | 482 | 193.37% |
| 2021-2022 | 2,277 | 1,714 | 563 | 405 | 79 | 484 | 116.44% |

City of Brisbane
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population ³ | Personal Income (in millions) ² | Per Capita Personal Income ² | Labor Force ¹ | Unemployment Rate ¹ |
|----------------|-------------------------|--|--|-----------------------------|-----------------------------------|
| 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% |
| 2020 | 4,633 | n/a | n/a | 460,000 | 2.0% |
| 2021 | 4,851 ⁴ | n/a | n/a | 442,200 | 2.5% |
| 2022 | 4,668 ⁴ | n/a | n/a | 457,000 | 4.3% |

Notes:

¹ Source: State of California Employment Development Department, San Mateo County; previous years reflect annual averages

² Source: California Labor Market Info for San Mateo County. Data not available for 2014, 2018, 2019, 2020 and 2021

³ Source: California Department of Finance Population Estimates; except where noted

⁴ Source: 2021 US. Census

City of Brisbane
Principal Employers
Current Year and Ten Years Ago

| Employer | 2022 ¹ | | | 2013 ² | | |
|---|-------------------|------|-------------------------------------|-------------------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Bi-Rite Foodservice Distributors | 243 | 1 | 8.38% | 259 | 3 | 3.95% |
| Expeditors Intl Inc | 242 | 2 | 8.34% | 223 | 7 | 3.40% |
| LeeMAH Electronics Inc | 238 | 3 | 8.21% | | | |
| Cutera Inc | 226 | 4 | 7.79% | | | |
| Greenleaf | 161 | 5 | 5.55% | | | |
| Ultragenyx Pharmaceutical Inc | 148 | 6 | 5.10% | | | |
| Amazon Fresh | 142 | 7 | 4.90% | | | |
| Transdev Services Inc | 135 | 8 | 4.66% | | | |
| Hensley Event Resources | 127 | 9 | 4.38% | | | |
| Norman S. Wright Mechanical Equipment Corporation | 117 | 10 | 4.03% | | | |
| Pepsi Bottling Group | | | | 380 | 1 | 5.80% |
| Sunset Scavenger Co | | | | 350 | 2 | 5.34% |
| XOJet | | | | 250 | 4 | 3.82% |
| Caltronics Business Systems | | | | 243 | 5 | 3.71% |
| Monster Cable Products Inc | | | | 242 | 6 | 3.69% |
| Collab.net Inc | | | | 212 | 8 | 3.24% |
| Next Style LLC | | | | 160 | 9 | 2.44% |
| Fong Brothers Printing | | | | 148 | 10 | 2.26% |
| Total Top 10 Employers | 1,779 | | 61.34% | 2,467 | | 85.07% |
| Total City Labor Force - 2021-2022 ³ | 2,900 | | | | | |
| Total City Labor Force - 2012-2013 ² | 6,553 | | | | | |

Source:

¹ 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

² City of Brisbane Business License data (self reporting); previous counts may be company-wide

³ 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 | | | |
|--------------------------------------|--------------|--------------|--------------|--------------|
| | 2013 | 2014 | 2015 | 2016 |
| Function: | | | | |
| General Government | 10.79 | 11.65 | 12.05 | 12.55 |
| Public safety: | | | | |
| Police | 14.11 | 15.11 | 17.11 | 18.11 |
| Fire | 10.00 | 10.00 | 10.00 | 10.00 |
| Public Works and Municipal Utilities | 16.10 | 14.00 | 15.00 | 17.00 |
| Community Development | 3.80 | 3.90 | 5.40 | 5.40 |
| Parks and Recreation | 12.80 | 18.83 | 18.83 | 19.83 |
| Marina | 11.78 | 5.75 | 7.25 | 7.25 |
| Total | 79.38 | 79.24 | 85.64 | 90.14 |

Source: City of Brisbane Base Budget

| June 30 | | | | | |
|---------|-------|-------|-------|-------|-------|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| 12.55 | 12.55 | 13.55 | 13.55 | 15.55 | 13.55 |
| 19.11 | 19.11 | 19.61 | 19.61 | 16.11 | 19.11 |
| 10.00 | 10.00 | 10.00 | 10.00 | 13.00 | 13.00 |
| 17.00 | 19.00 | 20.00 | 20.00 | 22.00 | 22.00 |
| 5.00 | 5.00 | 5.00 | 5.00 | 6.00 | 6.00 |
| 19.58 | 19.58 | 19.58 | 15.30 | 15.30 | 20.58 |
| 7.25 | 5.25 | 3.50 | 3.50 | 3.50 | 3.50 |
| 90.49 | 90.49 | 91.24 | 86.96 | 91.46 | 97.74 |

City of Brisbane

Operating Indicators by Function

Last Ten Fiscal Years

| Function | Fiscal Year | | | | | |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Police | | | | | | |
| Response time to : | | | | | | |
| Extreme Emergencies | 4:12 | 4:53 | 4:33 | 4:31 | 5:02 | 4:36 |
| Emergencies | 3:57 | 4:04 | 4:25 | 4:11 | 4:06 | 3:54 |
| Non-Emergencies | 6:25 | 4:52 | 6:06 | 5:18 | 6:16 | 6:07 |
| Number of victims per 1,000 citizens or business | 33 | 30 | 31 | 31 | 34 | 33 |
| Fire | | | | | | |
| Number of calls answered | 670 | 706 | 713 | 751 | 698 | 694 |
| Number of inspections | 429 | 493 | 382 | 378 | 413 | 502 |
| Public Works: | | | | | | |
| Number of Building and Park Maintenance service requests received | 141 | 140 | 166 | 146 | 168 | 173 |
| Number of Graffiti on Public Property requests for service | 3 | 6 | 12 | 7 | 6 | 7 |
| Number of Sidewalk Maintenance/Trip Hazard service requests | 13 | 10 | 14 | 14 | 25 | 29 |
| Number of Street Tree service requests | 32 | 37 | 38 | 70 | 42 | 54 |
| Number of Street-Sign/Light/Traffic Signal service requests | 49 | 29 | 82 | 94 | 97 | 80 |
| Number of Weeds, Trash and Debris on Public Property service requests | 43 | 42 | 66 | 78 | 93 | 111 |
| Water | | | | | | |
| Total Water Purchased | 287,290 ccf | 302,776 ccf | 279,815 ccf | 257,414 ccf | 294,756 ccf | 334,217 ccf |
| Number of main breaks and repairs | 2 | 4 | 2 | 0 | 1 | 0 |
| Number of service breaks (public side of meter) and repairs | 2 | 6 | 2 | 3 | 3 | 2 |
| Percentage of water samples that pass health standards | 100 | 100 | 100 | 97 | 99 | 100 |
| Percentage of water storage tanks cleaned and inspected | 100 | 0 | 0 | 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 | 27 | 50 | 44 | 28 | 20 | 10 |
| Sewer | | | | | | |
| Average Daily sewage flow (thousands of gallons) | 319 | 303 | 346 | 379 | 475 | 426 |
| Total annual sewage flow | 155,534ccf | 147,836 ccf | 168,651 ccf | 185,044 ccf | 231,544 ccf | 207,825 ccf |
| Number of public sewer main blocks/breaks | 3 | 3 | 3 | 4 | 3 | 3 |
| Number of private lateral blocks/breaks that City responds to | | 18 | 25 | 15 | 4 | 4 |
| Percentage of public sewer blockages cleared within: | | | | | | |
| 4 hours | 100 | 95 | 100 | 100 | 75 | 33 |
| 12 hours | 100 | 95 | 100 | 100 | 75 | 33 |
| Community Development: | | | | | | |
| Total permit valuation (\$000) | 18,459 | 19,083 | 16,811 | 22,222 | 12,066 | 199,996 |
| Parks and Recreation: | | | | | | |
| Community/Special Events (Concerts in the Park, Festival of Lights, etc.) | | | | | | |
| number of events | 6 | 11 | 17 | 26 | 27 | 25 |
| Sports Programs (e.g. basketball, softball): number of sports | | | | | | |
| Youth | 14 | 19 | 10 | 10 | 10 | 12 |
| Adult | 3 | 3 | 2 | 2 | 1 | 1 |
| Classes: (number of programs) | | | | | | |
| Adult | 8 | 8 | 10 | 10 | 11 | 11 |
| Youth | 8 | 11 | 4 | 7 | 7 | 7 |
| Youth & Adult | | | | | | |
| Child Care programs (Average Enrollment): | | | | | | |
| Preschool | 20 | 20 | 20 | 25 | 25 | 20 |
| Afterschool | 82 | 101 | 103 | 101 | 85 | 90 |
| Day Camps (Average Enrollment) | | | | | | |
| Spring | 35 | 39 | 35 | 36 | 32 | 32 |
| Summer | 45 | 45 | 50 | 44 | 46 | 42 |
| Winter | 23 | 25 | 24 | 29 | 31 | 20 |
| Teen Programs (number of programs) | 0 | 0 | 4 | 3 | 3 | 5 |
| Aquatic programs (Enrollment/attendance): | | | | | | |
| Summer swim lessons | 611 | 466 | 551 | 514 | 518 | 704 |
| Water aerobics | 10 / day | 10 / day | | 11 / day | 13 / day | 12 / day |
| Senior Center (Enrollment/attendance) | 37 / week | 37 / week | 55 / week | 46 / week | 44 / week | 45 / week |
| Programs | 6 | 6 | 6 | 5 | 7 | 8 |
| All programs | 53 | 66 | | | | |
| Rentals | | | | | | |
| Community Center | | | 15 | 17 | 21 | 25 |
| Mission Blue | | | 37 | 26 | 16 | 14 |
| Community Park | | | 146 | 135 | 113 | 120 |
| Fields | | | 5 | 8 | 10 | 10 |

Notes: Indicators are not available for the general government function.

| Fiscal Year | | | |
|-------------|-------------|-----------------------|-------------|
| 2019 | 2020 | 2021 | 2022 |
| 4:43 | 4:02 | 4:05 | 3:38 |
| 3:58 | 3:54 | 3:55 | 3:51 |
| 6:21 | 5:50 | 5:07 | 5:15 |
| 30 | 35 | 33 | 38 |
| 660 | 529 | 559 | 615 |
| 419 | 371 | 248 | 514 |
| 165 | 230 | 151 | 219 |
| 9 | 7 | 10 | 13 |
| 21 | 38 | 25 | 15 |
| 76 | 77 | 46 | 64 |
| 91 | 109 | 81 | 79 |
| 70 | 70 | 72 | 118 |
| 323,917 ccf | 310,127 ccf | 303,604 ccf | 298,906 ccf |
| 4 | 6 | 1 | 3 |
| 5 | 2 | 4 | 2 |
| 100 | 100 | 100 | 100 |
| 100 | 0 | 100 | 0 |
| 100 | 100 | 100 | 100 |
| 100 | 100 | 100 | 100 |
| 35 | 22 | 27 | 12 |
| 430 | 397 | 326 | 381 |
| 209,917 ccf | 193,548 ccf | 159,165 ccf | 185,721 ccf |
| 1 | 1 | 4 | 2 |
| 14 | 6 | 2 | 10 |
| 100 | 100 | 100 | 100 |
| 100 | 100 | 100 | 100 |
| 303,030 | 332,592 | 284,718 | 197,245 |
| 27 | 30 | 12 | 24 |
| 11 | 15 | 3 | 5 |
| 1 | 1 | 1 | 3 |
| 12 | 12 | 2 | 8 |
| 6 | 4 | 2 | 7 |
| 16 | 16 | 8 | 22 |
| 100 | 100 | 27 | 100 |
| 35 | 32 | 24 | 42 |
| 53 | 55 | 33 | 70 |
| 30 | 45 | 0 | 30 |
| 5 | 3 | 0 | 6 |
| 710 | 602 | 126 | 454 |
| 14 / day | 9 / day | 25/day | 25/day |
| 47 / week | 50 / week | en 8 days in fiscal y | 45 / week |
| 8 | 8 | 1 | 13 |
| | | 1 | |
| 18 | 13 | 0 | 11 |
| 33 | 22 | 0 | 34 |
| 98 | 51 | 17 | 145 |
| 10 | 4 | 1 | 3 |

City of Brisbane

Capital Asset Statistics by Function

Last Ten Fiscal Years

| Function | Fiscal Year | | | | |
|---------------------------------------|-------------|---------|---------|---------|---------|
| | 2013 | 2014 | 2015 | 2016 | 2017 |
| Public Safety: | | | | | |
| Police: | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 5 | 5 | 5 | 5 | 5 |
| Fire: | | | | | |
| Fire Stations | 1 | 1 | 1 | 1 | 1 |
| Fire Engines | 3 | 3 | 3 | 3 | 3 |
| Public Works: | | | | | |
| Streets (miles) | 23 | 23 | 23 | 23 | 23 |
| Streetlights | 790 | 790 | 791 | 791 | 791 |
| Sanitary Sewers (linear feet) | 80,712 | 80,712 | 80,712 | 80,712 | 80,712 |
| Water Lines (linear feet) | 132,830 | 132,830 | 132,830 | 132,830 | 132,830 |
| Water Storage (million gallons) | 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 |
| Parks | 15 | 15 | 15 | 15 | 15 |
| Swimming pools | 1 | 1 | 1 | 1 | 1 |
| Open Space acreage¹ | | | | | |
| Wetlands | 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.

¹ Source: 2001 Brisbane Open Space Plan

| Fiscal Year | | | | |
|-------------|---------|---------|---------|---------|
| 2018 | 2019 | 2020 | 2021 | 2022 |
| 1 | 1 | 1 | 1 | 1 |
| 5 | 5 | 5 | 5 | 5 |
| 1 | 1 | 1 | 1 | 1 |
| 3 | 4 | 4 | 4 | 4 |
| 23 | 23 | 23 | 23 | 23 |
| 659 | 659 | 659 | 659 | 659 |
| 82,020 | 82,020 | 82,020 | 82,020 | 82,020 |
| 132,830 | 132,830 | 132,830 | 132,830 | 132,830 |
| 2.9 | 2.9 | 2.9 | 2.9 | 2.9 |
| 57.98 | 57.98 | 57.98 | 57.98 | 57.98 |
| 15 | 15 | 15 | 15 | 15 |
| 1 | 1 | 1 | 1 | 1 |
| 184.68 | 184.68 | 184.68 | 184.68 | 184.68 |
| 127.75 | 127.75 | 127.75 | 127.75 | 127.75 |

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