



CITY OF BRISBANE CALIFORNIA



For the
Fiscal Year
Ended
June 30, 2017

Comprehensive Annual Financial Report

CITY OF BRISBANE
CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

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

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Comprehensive Annual Financial Report
For the Year Ended June 30, 2017
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CITY OF BRISBANE

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March 23, 2018

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Brisbane for the fiscal year ended June 30, 2017. This report is published to fulfill the California state law requirement for an annual report prepared strictly in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

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

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

The CAFR is presented in three major sections that provide introductory, financial as of June 30, 2017, and statistical information about the City. The introductory section includes this transmittal letter, the City's organizational chart and a list of the City's principal officials. The financial section includes the independent auditor's report, basic financial statements, notes to the basic financial statements, required supplementary information and supplementary information on nonmajor funds. The statistics section, which is unaudited, includes selected financial and demographic information.

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

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the Management's Discussion and Analysis (MD&A) section found immediately following the report of the independent auditors. This

letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A.

PROFILE OF THE CITY

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

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

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

FACTORS AFFECTING FINANCIAL CONDITION

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

Local Economy

The City is part of the general San Francisco/Silicon Valley area with a largely commuter

workforce. The City's primary business is light industrial. Brisbane sees most of its sales tax revenue from business to business operations. A handful of businesses that make up a sizable portion of City revenues with the five largest Sales Tax producers are slightly over 63 % of all Sales Tax collected.

A business license tax for a large recycling firm that wants to expand within the city limits was approved by the voters in November 2011. Another business license tax for liquid storage tanks was enacted November 2013.

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

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. Over the next several months, City Council is committed to a careful review of the recommendation proposed by the City's Planning Commission along with the applicant's proposal to ensure safety on the site, the proper infrastructure required to support a completed development, and a financial model that protects the solvency for the City in providing services to that new part of our community.

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

Long-term Financial Planning

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

The City moved away from a two-year budget process due to the uncertainty of the economy during recent few years, with major capital improvement projects being placed on hold. However, because revenues have become more consistent, the City has returned to a two-year budget process commencing with fiscal years 2016-2017.

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.

The City Council also updated its General Fund, Fund Balance policy. The City Council adopted a policy that 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.

Cash Management Policies and Practices

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

Risk Management

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

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.

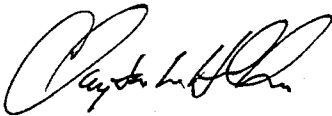
AWARDS & ACKNOWLEDGEMENTS

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

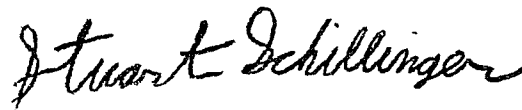
The preparation and development of this report would not have been possible without the year-round efficiency of the Department of Finance staff and their special efforts, working in conjunction with the City's independent auditors, to produce this document. We would like to take this opportunity to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

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

Respectfully submitted,

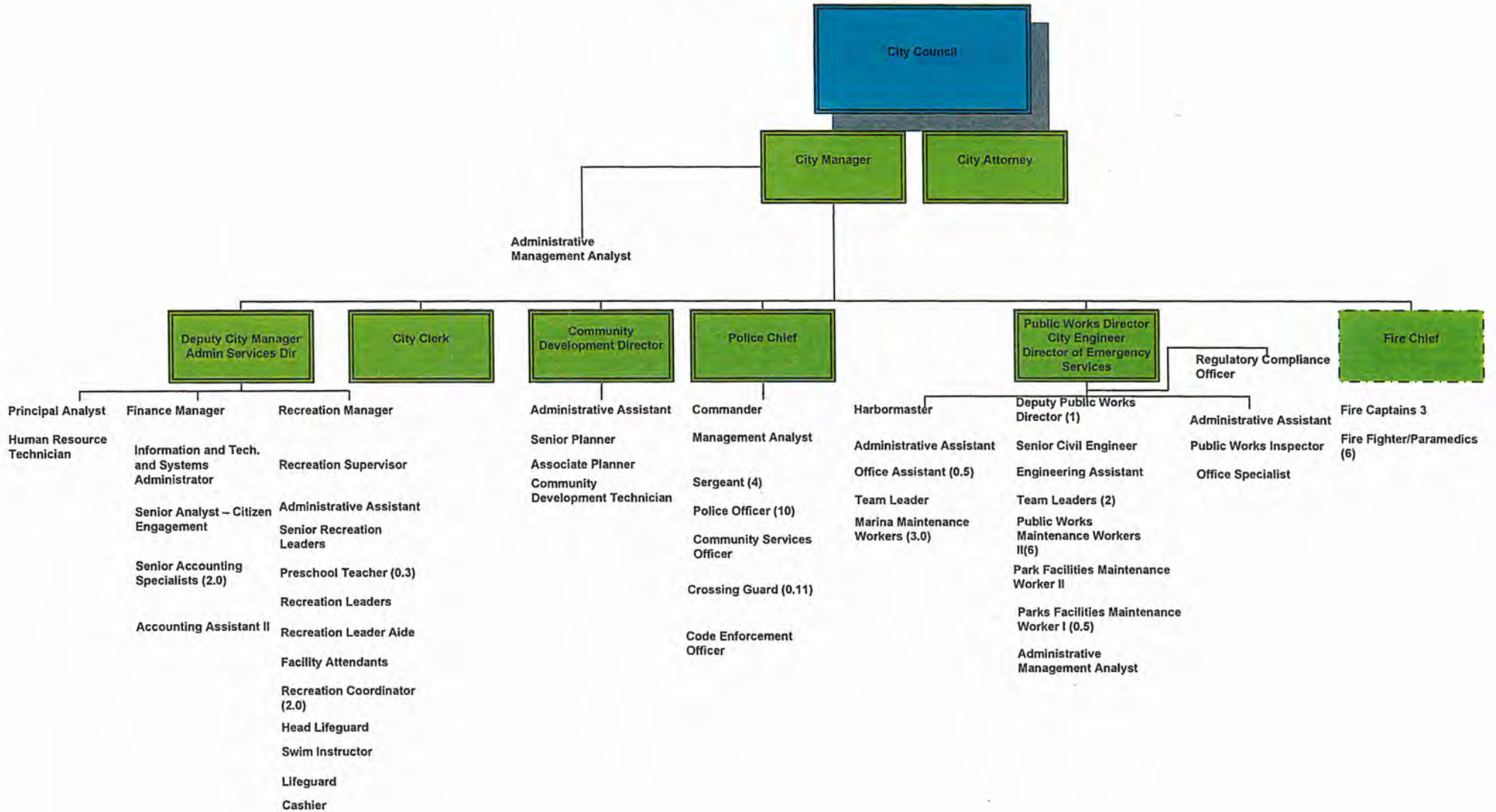


Clayton L. Holstine
City Manager



Stuart Schillinger
Administrative Services Director

City of Brisbane Organizational Chart FY 2016/17



City of Brisbane
Principal Officials of the City of Brisbane, California
For the year ended June 30, 2017

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

2016-2017

CITY COUNCIL/BOARD MEMBERS

Lori S. Liu, Mayor / Board Chairman
W. Clarke Conway, Mayor Pro Tem / Board Vice-Chairman
Madison Davis, Council Member / Board Member
Cliff R. Lentz, Council Member / Board Member
Terry O'Connell, Council Member / Board Member

STAFF MEMBERS

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

Michael Roush
City Attorney, Agency/District Legal Counsel

Stuart Schillinger
Administrative Services Director/Treasurer

John A. Swiecki
Planning Director

Lisa Macias
Police Chief

Randy Breault
Public Works Director/City Engineer

Ingrid Padilla
City Clerk

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Brisbane, California, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2017, 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.

Change in Accounting Principle

Management adopted the provisions of the Governmental Accounting Standards Board Statement No. 74 – *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans*, which became effective during the year ended June 30, 2017, as discussed in Note 10D.

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplementary Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 23, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Maze & Associates

Pleasant Hill, California
March 23, 2018

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Management's Discussion and Analysis

As management of the City of Brisbane, we offer readers this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found on pages v-vii of this report.

FINANCIAL HIGHLIGHTS

- The City implemented Governmental Accounting Standards Board (GASB) Statement 68, Accounting and Financial Reporting for Pensions several years ago. This provides additional information about the City's pension liabilities and regulates what needs to be reported on the Statement of Net Position, the notes and Required Supplemental Information.
- The assets of the City of Brisbane exceed its liabilities by \$82.3 million (net position). Of this amount, \$1.1 million represents unrestricted net position, as we returned to a positive net position with an increase in general revenues.
- The total net position increased by \$265.8 thousand. Although the impact of the deferred outflows of resources targeted for pensions increased by \$3.7million, it was offset by a combined increase in Net Pension Liability of \$4.3 million and decrease in long term debt.
- At the close of the current fiscal year, the City of Brisbane's governmental funds reported combined fund balances of \$18.1 million. Approximately 41% of this amount, or \$7.4 million, is available for spending at the government's discretion (unassigned fund balance).
- The City's total outstanding long-term debt decreased by \$1.5 million and the City did not incur any new debt.
- The City's Capital Assets increased \$1.6 million with the increase of the marina dredging and other construction in progress being offset with the increase to accumulated depreciation. The marina dredging was completed and converted to fixed assets.

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 - 80 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 98 - 117 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	
	2017	2016	2017	2016	2017	2016
Current Assets	\$ 22,459	\$ 21,344	\$ 10,304	\$ 11,851	\$ 32,763	\$ 33,195
Capital assets	55,931	55,124	32,540	31,738	88,471	86,862
Other non-current assets	5,395	6,283	2,429	2,455	7,824	8,738
Total assets	<u>\$ 83,785</u>	<u>\$ 82,751</u>	<u>\$ 45,273</u>	<u>\$ 46,044</u>	<u>\$ 129,058</u>	<u>\$ 128,795</u>
Deferred Outflows	\$ 4,788	\$ 1,342	\$ 368	\$ 130	\$ 5,156	\$ 1,472
Current liabilities	\$ 4,416	\$ 3,446	\$ 1,713	\$ 1,826	\$ 6,129	\$ 5,272
Non-current liabilities	30,317	26,891	13,182	13,559	43,499	40,450
Total liabilities	<u>\$ 34,733</u>	<u>\$ 30,337</u>	<u>\$ 14,895</u>	<u>\$ 15,385</u>	<u>\$ 49,628</u>	<u>\$ 45,722</u>
Deferred Inflows	\$ 2,218	\$ 2,452	\$ 109	\$ 100	\$ 2,327	\$ 2,552
Net position:						
Net investment in capital assets,	\$ 44,304	\$ 47,877	\$ 29,708	\$ 28,599	\$ 74,012	\$ 76,476
Restricted	6,373	6,934	759	2,251	7,132	9,185
Unrestricted	945	(3,507)	170	(161)	1,115	(3,668)
Total net position	<u>\$ 51,622</u>	<u>\$ 51,304</u>	<u>\$ 30,637</u>	<u>\$ 30,689</u>	<u>\$ 82,259</u>	<u>\$ 81,993</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 exceeded liabilities by \$82.3 million at the close of the most recent fiscal year.

By far the largest portion of the City's net position (\$74.0 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 (\$7.1 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. The City returned to a positive balance in Unrestricted net position as of June 30, 2017.

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

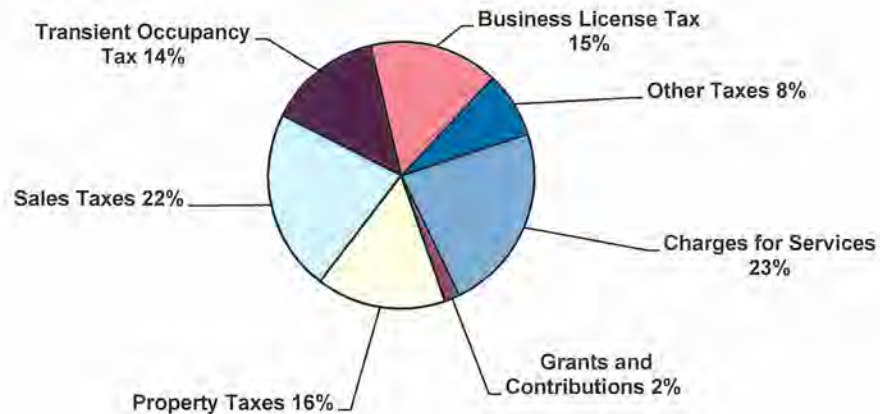
Statement of Activities						
As of June 30,						
(in thousands)						
	Governmental		Business-Type		Total	
	Activities		Activities			
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 7,691	\$ 7,253	\$ 7,422	\$ 6,928	\$ 15,113	\$ 14,181
Operating contributions and grants	209	158	-	-	209	158
Capital contributions and grants	152	352	456	-	608	352
Total program revenues	<u>8,052</u>	<u>7,763</u>	<u>7,878</u>	<u>6,928</u>	<u>15,930</u>	<u>14,691</u>
General revenues:						
Property taxes	3,342	3,258	30	30	3,372	3,288
Sales taxes	4,409	3,843	-	-	4,409	3,843
Transient occupancy tax	2,768	2,786	-	-	2,768	2,786
Other taxes	1,423	1,056	-	-	1,423	1,056
Total taxes	<u>11,942</u>	<u>10,943</u>	<u>30</u>	<u>30</u>	<u>11,972</u>	<u>10,973</u>
Investment earnings (loss)	100	182	(574)	88	(474)	270
Other revenue	14	48	-	-	14	48
Total revenues	<u>\$ 20,108</u>	<u>\$ 18,936</u>	<u>\$ 7,334</u>	<u>\$ 7,046</u>	<u>\$ 27,442</u>	<u>\$ 25,982</u>
Expenses:						
General government	\$ 5,718	\$ 5,357	\$ -	\$ -	\$ 5,718	\$ 5,357
Public safety - police	4,760	4,191	-	-	4,760	4,191
Public safety - fire	2,812	2,782	-	-	2,812	2,782
Public works	3,734	3,542	-	-	3,734	3,542
Parks and recreation	2,338	2,023	-	-	2,338	2,023
Interest on long-term debt	433	647	-	-	433	647
Water	-	-	1,805	1,733	1,805	1,733
Sewer	-	-	1,638	2,033	1,638	2,033
Guadalupe Valley Municipal Improvement District	-	-	1,999	1,889	1,999	1,889
Marina	-	-	1,939	1,807	1,939	1,807
Total expenses	<u>\$ 19,795</u>	<u>\$ 18,542</u>	<u>\$ 7,381</u>	<u>\$ 7,461</u>	<u>\$ 27,176</u>	<u>\$ 26,004</u>
Increase / decrease before transfers	\$ 313	\$ 394	\$ (47)	\$ (415)	\$ 266	\$ (21)
Transfers	5	54	(5)	(54)	-	-
Special items	-	(4,099)	-	-	-	(4,099)
Change in Net Position	<u>318</u>	<u>(3,651)</u>	<u>(52)</u>	<u>(469)</u>	<u>266</u>	<u>(4,120)</u>
Beginning Net Position	51,304	54,956	30,689	31,158	81,993	86,114
Ending Net Position	<u>\$ 51,622</u>	<u>\$ 51,304</u>	<u>\$ 30,637</u>	<u>\$ 30,689</u>	<u>\$ 82,259</u>	<u>\$ 81,994</u>

Governmental activities. The City's revenues of \$20.1 million exceeded expenditures by \$300 thousand, which resulted in an increase to net position. The sources of this increase included growth in property tax and sales tax.

Program revenues generated 40% of the City's governmental revenues for a total of \$8.1 million, a net increase of \$290 thousand from the prior year. The major sources of these revenues are providing services to outside agencies, redistributing the cost of governmental services to the operating departments through a cost allocation plan, and capital contribution and grants. The City's property tax revenues increased by 3% for a total of \$3.3 million. 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. Sales Tax revenue also increased by 15% over the prior year for a total of \$4.4 million. Hotel taxes (transient occupancy) remained steady reflecting another year of a healthy business climate.

As would be anticipated in a government, those areas which provide the least private-good oriented services have the highest net cost. The total cost of governmental activities in fiscal year 2017 was \$19.8 million. 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. The City's net position of business activities decreased by \$52 thousand to \$30.6 million. Business-type net position accounts for 37% of the City's total net position. Almost all revenues in these funds are based on fees and service charges. Key factors contributing to the decrease in prior year are as follows:

- The Marina dredging project was completed in FY 2016/2017, therefore it did not have a full year's worth of berth rentals at capacities from before the project. The Marina program costs were greater than the revenues to support them. The Marina also started to pay off its loan from the City for the dredging resulting in a negative change in net position of \$297 thousand.
- Utility Program revenues increased slightly by 8% to \$441 thousand, but were offset by the increase in cost of sales, salaries and benefits. However, a reduction in other expenses resulted in a positive change in net position for the Utility funds of \$245 thousand.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

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

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

At June 30, 2017, the City's Governmental Funds reported combined Fund Balances of \$18.1 million, a decrease of \$521.9 thousand compared with last year. An increase in salaries and benefits, and capital outlay are responsible for the change.

The Governmental Fund revenue increase \$2.0 million from the prior year. Taxes and special assessments, licenses permits and fees, and charges for services increased, while fines and forfeitures decreased. The number and selling price of real estate and remodels in the City continued to increase during the past year.

Governmental Fund expenditures increased by \$173 thousand due to the increase in personnel costs, including costs related to retirement and OPEB.

General Fund – The General Fund ended the year with a fund balance of \$11.7 million. Of this amount, \$2.6 million is nonspendable including: Encumbrances, Advances to Other Funds, and Loans Receivables. The Unassigned portion of the Fund Balance is \$8.7 million. The General Fund’s reserves still exceed the Council’s policy of 50% of its expenditures in reserves.

The City’s tax revenues increased by 6% over FY 2015/2016 to \$11.2 million. Sales Tax revenues led with an increase of \$565 thousand.

General Fund expenditures increased by \$671 thousand. The increase reflects full staffing in police and public works as well as a salary increase and increases in the cost of pension, health care and other benefits.

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

Proprietary funds. The City of Brisbane’s 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 \$2.2 million. This was an increase of \$546.9 thousand primarily due to the reduction in other expenses.

Marina Fund – FY 2016/17 saw an operating loss of \$234 thousand. Berth rentals were down during the marina dredging that finished up during this year.

GENERAL FUND BUDGETARY HIGHLIGHTS

At mid-year, revenue estimates were increased \$620,000 as due to an increased amount in the ERAF (Educational Revenue Augmentation Fund) reimbursement and sales taxes came in higher than projected. At mid-year, overall expenses were expected to increase \$105,000 over budget. \$97,000 was a result of overtime due to police training new officers, which was offset in savings in other areas. Originally we projected the use of \$1.4 million from reserves (fund balance) to balance the budget. The reduction to fund balance was decreased to \$903,100 at mid-year. The actual revenue came in \$1.6 million over the final budget and expenses came in \$26,500 under budget leaving an increase to fund balance of \$374,715.

CAPITAL ASSETS

The City of Brisbane's investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounted to \$88.5 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 \$1.6 million. This increase was primarily due to the completion of the marina dredging project and resurfacing on Bayshore Boulevard.

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

- Resurfacing on Bayshore Boulevard
- Purchase of several utility and safety vehicles
- Purchase of body cameras
- Marina dredging

	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Non-depreciable assets:						
Land	\$ 14,437	\$ 14,437	\$ 648	\$ 648	\$ 15,085	\$ 15,085
Construction in progress	128	97	17	3,354	145	3,451
Total non-depreciable assets	14,565	14,534	665	4,002	15,230	18,536
Depreciable assets:						
Land improvements	6,333	5,679	12,309	7,419	18,642	13,098
Buildings and structures	17,655	17,655	9,527	9,527	27,182	27,182
Machinery and equipment	3,687	3,253	822	822	4,509	4,075
Infrastructure	31,758	30,865	32,245	32,245	64,003	63,110
Total depreciable assets	59,434	57,452	54,903	50,013	114,336	107,465
Less accumulated depreciation	(18,068)	(16,862)	(23,028)	(22,277)	(41,096)	(39,140)
Total depreciable assets, net	41,366	40,590	31,874	27,736	73,241	68,326
Total capital assets	\$ 55,931	\$ 55,124	\$ 32,540	\$ 31,738	\$ 88,471	\$ 86,862

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 \$21.1 million. Of this amount, \$2.4 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	
	2017	2016	2017	2016	2017	2016
Pension obligation bonds	\$ 2,406	\$ 3,021	\$ -	\$ -	\$ 2,406	\$ 3,021
Revenue bonds	6,718	7,118	11,890	12,314	18,608	19,432
Energy conservation loan	149	170	-	-	149	170
Capital lease	-	-	-	-	-	-
Total	\$ 9,273	\$ 10,309	\$ 11,890	\$ 12,314	\$ 21,163	\$ 22,623

The total debt decreased by \$1.5 million during the current fiscal year. No new debt was issued during the fiscal year.

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

Additional information on the City's long-term debt can be found in Note 7 pages 52 - 57.

ECONOMIC OUTLOOK

The City is part of the general San Francisco/Silicon Valley area. There are a handful of businesses that make up a sizable portion of City revenues.

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

Brisbane has one of the largest (over 500 acres) undeveloped commercial parcels of land remaining in San Mateo County. This parcel is contiguous with the boundaries of the City/County of San Francisco and is located within seven minutes of the San Francisco International Airport. The property owner has submitted a Specific Plan for the site and the draft EIR is under review. The Specific Plan has a combination of retail, commercial, and open space. 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.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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**STATEMENT OF NET POSITION AND
STATEMENT OF ACTIVITIES**

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

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

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, 2017

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments available for operations (Note 3)	\$18,481,776	\$4,467,022	\$22,948,798
Restricted cash and investments (Note 3)	408,341	5,003,835	5,412,176
Accounts receivable	1,774,650	1,140,782	2,915,432
Taxes receivable	1,451,153	96	1,451,249
Internal balance (Note 4D)	327,442	(327,442)	
Accrued interest	9,611	20,232	29,843
Other assets	5,895		5,895
Noncurrent assets:			
Loans receivable, net (Note 5)	5,395,328	2,428,756	7,824,084
Capital assets (Note 6):			
Non-depreciable	14,565,320	665,013	15,230,333
Depreciable, net	41,366,033	31,874,494	73,240,527
Total Assets	<u>83,785,549</u>	<u>45,272,788</u>	<u>129,058,337</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows (Note 9)	4,788,360	367,823	5,156,183
Total Deferred Outflows of Resources	<u>4,788,360</u>	<u>367,823</u>	<u>5,156,183</u>
LIABILITIES			
Current liabilities:			
Accounts payable	878,546	612,317	1,490,863
Accrued payroll	236,603	22,341	258,944
Interest payable	107,497	259,381	366,878
Deposits	1,282,923	178,254	1,461,177
Claims payable - due within one year (Note 11)	286,588		286,588
Compensated absences - due within one year (Note 1F)	216,355	17,165	233,520
Long-term debt - due within one year (Note 7)	1,107,961	624,000	1,731,961
Unearned revenue	300,000		300,000
Noncurrent liabilities:			
Claims payable - due in more than one year (Note 11)	774,232		774,232
Compensated absences - due in more than one year (Note 1F)	649,065	51,494	700,559
Net Pension Liability (Note 9)	16,999,594	1,227,330	18,226,924
OPEB obligation (Note 10)	3,781,290	636,738	4,418,028
Long-term debt - due in more than one year (Note 7)	8,113,269	11,266,000	19,379,269
Total Liabilities	<u>34,733,923</u>	<u>14,895,020</u>	<u>49,628,943</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows (Note 9)	2,217,955	108,598	2,326,553
Total Deferred Inflows of Resources	<u>2,217,955</u>	<u>108,598</u>	<u>2,326,553</u>
NET POSITION (Note 8)			
Net investment in capital assets	44,304,123	29,708,342	74,012,465
Restricted for:			
Capital projects	3,415,103	758,885	4,173,988
Debt service	330,750		330,750
Specific projects and programs	2,626,810		2,626,810
Total Restricted Net Position	<u>6,372,663</u>	<u>758,885</u>	<u>7,131,548</u>
Unrestricted	945,245	169,766	1,115,011
Total Net Position	<u>\$51,622,031</u>	<u>\$30,636,993</u>	<u>\$82,259,024</u>

See accompanying notes to financial statements

CITY OF BRISBANE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

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	\$5,717,604	\$5,318,715	\$5,000	\$1,572	(\$392,317)		(\$392,317)
Public safety - police	4,760,066	52,006	203,839		(4,504,221)		(4,504,221)
Public safety - fire	2,811,572	315,050			(2,496,522)		(2,496,522)
Public works	3,734,022	1,409,107		150,000	(2,174,915)		(2,174,915)
Parks and recreation	2,337,740	596,500		500	(1,740,740)		(1,740,740)
Interest on long-term debt	432,961				(432,961)		(432,961)
Total Governmental Activities	19,793,965	7,691,378	208,839	152,072	(11,741,676)		(11,741,676)
Business-type Activities:							
Water	1,804,556	1,670,143		456,478		\$322,065	322,065
Sewer	1,638,384	1,182,612				(455,772)	(455,772)
Guadalupe Valley Municipal Improvement District	1,999,104	2,863,845				864,741	864,741
Marina	1,939,409	1,704,960				(234,449)	(234,449)
Total Business-type Activities	7,381,453	7,421,560		456,478		496,585	496,585
Total	\$27,175,418	\$15,112,938	\$208,839	\$608,550	(\$11,741,676)	\$496,585	(\$11,245,091)
General revenues:							
Taxes:							
Property taxes					\$3,341,628	\$30,241	\$3,371,869
Sales taxes					4,408,672		4,408,672
Transient occupancy tax					2,767,996		2,767,996
Other taxes					1,422,913		1,422,913
Miscellaneous revenues					13,552		13,552
Investment earnings					99,539	(573,677)	(474,138)
Transfers (Note 4C)					5,292	(5,292)	
Total general revenues and transfers					12,059,592	(548,728)	11,510,864
Change in Net Position					317,916	(52,143)	265,773
Net Position-Beginning					51,304,115	30,689,136	81,993,251
Net Position-Ending					\$51,622,031	\$30,636,993	\$82,259,024

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 2017. 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, 2017

	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)	\$7,718,292	\$1,601,533		\$5,610,563	\$14,930,388
Restricted cash and investments (Note 3)	107,156			220,186	327,342
Accounts receivable, net	1,671,185	62,394		37,183	1,770,762
Interest receivable				1,055	1,055
Taxes receivable	1,432,501			18,652	1,451,153
Other assets	5,895				5,895
Due from other funds (Note 4A)	720,295				720,295
Loans receivable (Note 5)	1,811,858	3,583,470			5,395,328
Advances to other funds (Note 4B)	776,203			80,205	856,408
Total Assets	\$14,243,385	\$5,247,397		\$5,967,844	\$25,458,626
LIABILITIES					
Accounts payable	\$507,227		\$100,524	\$40,216	\$647,967
Accrued payroll	170,349			5,554	175,903
Due to other funds (Note 4A)			617,836	96,891	714,727
Deposits payable	1,255,909		14,395	12,619	1,282,923
Interest payable			2,474	4,652	7,126
Advances from other funds (Note 4B)			528,966		528,966
Unearned revenue				300,000	300,000
Total Liabilities	1,933,485		1,264,195	459,932	3,657,612
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - taxes and fee	653,998				653,998
Unavailable revenue - loan receivable		\$3,067,942			3,067,942
Total Deferred Inflows of Resources	653,998	3,067,942			3,721,940
FUND BALANCES (Note 8)					
Nonspendable	2,593,956			80,205	2,674,161
Restricted	107,156	2,179,455		1,681,390	3,968,001
Assigned	252,961			3,813,327	4,066,288
Unassigned	8,701,829		(1,264,195)	(67,010)	7,370,624
Total Fund Balances (Deficit)	11,655,902	2,179,455	(1,264,195)	5,507,912	18,079,074
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$14,243,385	\$5,247,397		\$5,967,844	\$25,458,626

See accompanying notes to financial statements

CITY OF BRISBANE
Reconciliation of the
GOVERNMENTAL FUNDS -- BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances reported on the Governmental Funds Balance Sheet \$18,079,074

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 55,931,353

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	3,632,387
Accounts and Interest receivable	12,444
Other assets	
Accounts payable	(230,579)
Accrued payroll	(60,700)
Due to other funds	(5,568)
Interest payable	(113)
Accrued claims payable	(1,060,820)

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. 3,721,940

LONG-TERM ASSETS AND LIABILITIES

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

Net pension liability, deferred outflows and deferred inflows	(14,429,189)
Long-term debt	(9,221,230)
Net OPEB obligation	(3,781,290)
Compensated absences	(865,420)
Interest payable	(100,258)

NET POSITION OF GOVERNMENTAL ACTIVITIES \$51,622,031

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, 2017

	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	\$11,241,475			\$827,558	\$12,069,033
Intergovernmental	269,071		\$150,000	232,358	651,429
Licenses, permits and fees	4,018,803		292,110	994	4,311,907
Charges for services	2,459,274			47,617	2,506,891
Fines and forfeitures	47,766				47,766
Use of money and property	94,759	\$68,588	(3,652)	(3,520)	156,175
Other revenues	330,059		500	220,982	551,541
Total Revenues	18,461,207	68,588	438,958	1,325,989	20,294,742
EXPENDITURES					
Current:					
General government	4,647,220				4,647,220
Public safety - police	4,389,738				4,389,738
Public safety - fire	2,402,537				2,402,537
Public works	1,927,836	9,976		1,034,747	2,972,559
Parks and recreation	2,138,545				2,138,545
Capital outlay	629		1,132,882	951,197	2,084,708
Debt service:					
Principal	12,952			1,023,164	1,036,116
Interest and fiscal charges	1,252		11,557	432,838	445,647
Total Expenditures	15,520,709	9,976	1,144,439	3,441,946	20,117,070
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,940,498	58,612	(705,481)	(2,115,957)	177,672
OTHER FINANCING SOURCES (USES)					
Transfers in (Note 4C)	126,870			2,004,925	2,131,795
Transfers (out) (Note 4C)	(2,692,653)			(138,697)	(2,831,350)
Total Other Financing Sources (Uses)	(2,565,783)			1,866,228	(699,555)
NET CHANGES IN FUND BALANCES	374,715	58,612	(705,481)	(249,729)	(521,883)
NET CHANGES IN FUND BALANCES	374,715	58,612	(705,481)	(249,729)	(521,883)
BEGINNING FUND BALANCES	11,281,187	2,120,843	(558,714)	5,757,641	18,600,957
ENDING FUND BALANCES	\$11,655,902	\$2,179,455	(\$1,264,195)	\$5,507,912	\$18,079,074

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, 2017

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 (\$521,883)

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	2,039,818
Depreciation expense is deducted from the fund balance	(1,231,760)
Retirement of capital assets	(678)

LONG-TERM LIABILITIES

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

Repayments of debt principal are added back to fund balance	1,036,116
Pension related expenses	(335,140)

ACCRUAL OF NON-CURRENT ITEMS

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

Unavailable revenue	(193,462)
Amortization of bond discount	(6,619)
Compensated absences	(108,979)
Accrued interest on long-term debt	19,305
Net OPEB Obligation	(454,981)

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	<u>76,179</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$317,916</u></u>
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See accompanying notes to financial statements

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MAJOR 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 proprietary funds in fiscal 2017.

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, 2017

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Utility	Marina	Totals	
ASSETS				
Current Assets:				
Cash and investments (Note 3)	\$3,487,808	\$979,214	\$4,467,022	\$3,551,388
Restricted cash and investments (Note 3)	5,003,835		5,003,835	80,999
Accounts receivable, net	1,111,473	29,309	1,140,782	3,888
Taxes receivable	96		96	
Interest receivable	17,214	3,018	20,232	8,556
Total Current Assets	9,620,426	1,011,541	10,631,967	3,644,831
Noncurrent Assets:				
Loans receivable (Note 5)		2,428,756	2,428,756	
Capital assets (Note 6):				
Non-depreciable	647,815	17,198	665,013	
Depreciable, net	25,788,139	6,086,355	31,874,494	
Total Noncurrent Assets	26,435,954	8,532,309	34,968,263	
Total Assets	36,056,380	9,543,850	45,600,230	3,644,831
DEFERRED OUTFLOWS				
Deferred outflows related to pensions (Note 9)	212,206	155,617	367,823	
Total Deferred Outflows	212,206	155,617	367,823	
LIABILITIES				
Current Liabilities:				
Accounts payable	576,652	35,665	612,317	230,579
Due to other funds (Note 4A)				5,568
Accrued payroll	14,020	8,321	22,341	60,700
Interest payable	217,209	42,172	259,381	113
Accrued claims payable (Note 11)				286,588
Compensated absences (Note 1F)	13,050	4,115	17,165	
Deposits	15,522	162,732	178,254	
Bonds payable due within one year (Note 7)	310,000	314,000	624,000	
Total Current Liabilities	1,146,453	567,005	1,713,458	583,548
Noncurrent Liabilities:				
Compensated absences due in more than one year (Note 1F)	39,150	12,344	51,494	
Accrued claims payable (Note 11)				774,232
Advances from other funds (Note 4B)	80,205	247,237	327,442	
Bonds payable due in more than one year (Note 7)	7,525,000	3,741,000	11,266,000	
Net pension liability (Note 9)	708,075	519,255	1,227,330	
Net OPEB obligation (Note 10)	144,781	491,957	636,738	
Total Noncurrent Liabilities	8,497,211	5,011,793	13,509,004	774,232
Total Liabilities	9,643,664	5,578,798	15,222,462	1,357,780
DEFERRED INFLOWS				
Deferred inflows related to pensions (Note 9)	62,653	45,945	108,598	
Total Deferred Inflows	62,653	45,945	108,598	
NET POSITION (Note 8)				
Net investment in capital assets	23,604,789	6,103,553	29,708,342	
Restricted for capital projects	758,885		758,885	
Unrestricted	2,198,595	(2,028,829)	169,766	2,287,051
Total Net Position	\$26,562,269	\$4,074,724	\$30,636,993	\$2,287,051

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, 2017

	<u>Business-type Activities-Enterprise Funds</u>			Governmental Activities- Internal Service Funds
	<u>Utility</u>	<u>Marina</u>	<u>Totals</u>	
OPERATING REVENUES				
Charges for services	\$5,716,600	\$1,700,522	\$7,417,122	\$949,766
Other revenues		4,438	4,438	38,613
Total Operating Revenues	<u>5,716,600</u>	<u>1,704,960</u>	<u>7,421,560</u>	<u>988,379</u>
OPERATING EXPENSES				
Cost of sales and services	2,981,306	502,700	3,484,006	17,982
General and administrative	1,851,192	1,295,293	3,146,485	877,493
Depreciation	609,546	141,416	750,962	
Other expenses				726,881
Total Operating Expenses	<u>5,442,044</u>	<u>1,939,409</u>	<u>7,381,453</u>	<u>1,622,356</u>
Operating Income (Loss)	<u>274,556</u>	<u>(234,449)</u>	<u>40,107</u>	<u>(633,977)</u>
NONOPERATING REVENUES (EXPENSES)				
Taxes and assessments	30,241		30,241	
Investment income	6,671	(6,123)	548	5,309
Interest expense	(424,450)	(149,775)	(574,225)	
Total Nonoperating Revenues (Expenses)	<u>(387,538)</u>	<u>(155,898)</u>	<u>(543,436)</u>	<u>5,309</u>
Income (Loss) Before Transfers	<u>(112,982)</u>	<u>(390,347)</u>	<u>(503,329)</u>	<u>(628,668)</u>
Capital contributions	456,478		456,478	
Transfers in (Note 4C)	70,000	119,000	189,000	704,847
Transfers out (Note 4C)	(168,384)	(25,908)	(194,292)	
Net transfers	<u>358,094</u>	<u>93,092</u>	<u>451,186</u>	<u>704,847</u>
Change in net position	<u>245,112</u>	<u>(297,255)</u>	<u>(52,143)</u>	<u>76,179</u>
BEGINNING NET POSITION	<u>26,317,157</u>	<u>4,371,979</u>	<u>30,689,136</u>	<u>2,210,872</u>
ENDING NET POSITION	<u>\$26,562,269</u>	<u>\$4,074,724</u>	<u>\$30,636,993</u>	<u>\$2,287,051</u>

See accompanying notes to financial statements

CITY OF BRISBANE
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2017

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	Utility	Marina	Totals	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from customers	\$5,540,011	\$1,708,601	\$7,248,612	\$1,058,511
Cash payments to suppliers	(4,627,967)	(2,427,727)	(7,055,694)	(1,010,944)
Cash received from other funds				39,179
	<u>912,044</u>	<u>(719,126)</u>	<u>192,918</u>	<u>86,746</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes and assessments	30,768		30,768	
Due to other funds receipts				3,860
Advances to other funds (payments)	(614,288)		(614,288)	
Advances from other funds (receipts)		155,460	155,460	
Transfers in	526,478	119,000	645,478	704,847
Transfers (out)	(168,384)	(25,908)	(194,292)	
	<u>(225,426)</u>	<u>248,552</u>	<u>23,126</u>	<u>708,707</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of property, plant and equipment		(1,552,533)	(1,552,533)	
Principal payment of debt	(305,000)	(119,000)	(424,000)	
Interest paid	(314,624)	(129,308)	(443,932)	(1,844)
	<u>(619,624)</u>	<u>(1,800,841)</u>	<u>(2,420,465)</u>	<u>(1,844)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income receipts	(3,920)	(4,606)	(8,526)	1,718
	<u>(3,920)</u>	<u>(4,606)</u>	<u>(8,526)</u>	<u>1,718</u>
	<u>63,074</u>	<u>(2,276,021)</u>	<u>(2,212,947)</u>	<u>795,327</u>
Cash and investments at beginning of period	8,428,569	3,255,235	11,683,804	2,837,060
Cash and investments at end of period	<u>\$8,491,643</u>	<u>\$979,214</u>	<u>\$9,470,857</u>	<u>\$3,632,387</u>
Reconciliation of Operating Income (Loss) to Cash Flows from Operating Activities:				
Operating income (loss)	\$274,556	(\$234,449)	\$40,107	(\$633,977)
Adjustments to reconcile operating income (Loss) to cash flows from operating activities:				
Depreciation	609,546	141,416	750,962	
Change in assets, deferred outflows, liabilities and deferred inflows:				
Accounts receivable	(176,589)	3,641	(172,948)	(3,888)
Other assets				619,247
Accounts payable and accrued liabilities	189,725	(635,418)	(445,693)	112,907
Accrued payroll	3,664	665	4,329	(4,232)
Accrued claims payable				(3,311)
Compensated absences	(6,304)	(10,118)	(16,422)	
Deposits	28	2,364	2,392	
Net pension liability, deferred inflows and deferred outflows	17,418	12,773	30,191	
	<u>\$912,044</u>	<u>(\$719,126)</u>	<u>\$192,918</u>	<u>\$86,746</u>

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 2017:

Private Purpose Trust Fund

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

OPEB Trust Fund

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

Agency Funds

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

CITY OF BRISBANE
 FIDUCIARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2017

	Successor Agency Private-Purpose Trust Fund	OPEB Trust	Agency Funds
ASSETS			
Cash and investments (Note 3)			\$1,529,344
Restricted cash and investments with fiscal agents (Note 3)	\$1,719,151		250,455
Investments with Trustees (Note 3)			
Mutual funds		\$1,195,729	
Interest receivable			3,574
Total Assets	1,719,151	1,195,729	\$1,783,373
DEFERRED OUTFLOW OF RESOURCES			
Deferred charges on refunding (Note 14)	2,547,169		
Total Deferred Inflow of Resources	2,547,169		
LIABILITIES			
Accounts payable	59,430		\$367
Deposits payable			915,537
Due to other bondholders			867,469
Interest payable	231,577		
Loans payable to City (Note 14B)	4,104,632		
Long Term Debt (Note 14B):			
Due within one year	1,441,646		
Due in more than one year	12,070,000		
Total Liabilities	17,907,285		\$1,783,373
NET POSITION			
Held in trust for private-purpose	(\$13,640,965)	\$1,195,729	

See accompanying notes to financial statements

CITY OF BRISBANE
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Successor Agency Private-Purpose Trust Fund	OPEB Trust
	<u> </u>	<u> </u>
ADDITIONS		
Charges for services	\$2,616,388	
Contributions to trust		\$100,000
Investment income	47	102,703
	<u> </u>	<u> </u>
Total additions	2,616,435	202,703
	<u> </u>	<u> </u>
DEDUCTIONS		
Administrative charges		4,210
General government	55,656	
Interest and fiscal charges	849,603	
	<u> </u>	<u> </u>
Total deductions	905,259	4,210
	<u> </u>	<u> </u>
CHANGES IN NET POSITION	1,711,176	198,493
BEGINNING NET POSITION	<u>(15,352,141)</u>	<u>997,236</u>
ENDING NET POSITION (DEFICIT)	<u><u>(\$13,640,965)</u></u>	<u><u>\$1,195,729</u></u>

See accompanying notes to financial statements

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CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017

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 nonexchange transactions or ancillary activities.

C. Major Funds

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

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. *Compensated Absences*

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

	Governmental Activities	Business-Type	Total
Beginning Balance	\$756,441	\$85,081	\$841,522
Additions	595,287	43,556	638,843
Payments	(486,308)	(59,978)	(546,286)
Ending Balance	\$865,420	\$68,659	\$934,079
Current Portion	\$216,355	\$17,165	\$233,520
Non-current Portion	\$649,065	\$51,494	\$700,559

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.

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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. *Deferred Outflows/Inflows of Resources*

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

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

J. *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.

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, 2017

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 and Contract Employees Special Revenue Funds are special revenue funds with single focus purpose that when needed are approved by City Council or part of an existing contract and therefore did not have adopted budgets for the fiscal year. The capital projects funds did not have adopted budgets for the fiscal year, but all capital projects are approved by City Council prior to commitment. The legal level of budgetary control is the fund level.
4. Budgets for those governmental funds budgeted are adopted on a basis consistent with GAAP.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2017, 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, 2017

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (Continued)

C. Expenditures in Excess of Appropriations

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

Fund	Excess Expenditures Over Appropriations
Special Revenue Funds:	
Low and Moderate Income Housing Asset	\$3,476
Gas Tax	309,268
Measure A	625,142
Grants	16,787
Debt Service Funds:	
2006 Pensions Obligation Bonds	1,120
2009 Lease Revenue Bonds, Series A	1,170

NOTE 3 - CASH AND 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, 2017, 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	\$22,948,798
Restricted cash and investments with fiscal agent	5,412,176
Total City Cash and Investments	28,360,974
Cash and investments in Fiduciary Funds	1,529,344
Restricted cash and investments in Fiduciary Funds	3,165,335
Total Fiduciary Cash and Investments	4,694,679
Total Cash and Investments	\$33,055,653

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 - CASH AND INVESTMENTS (Continued)

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.

B. *Authorized Investments by the City*

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

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

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

C. *Authorized Investments by Debt Agreements*

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 - CASH AND INVESTMENTS (Continued)

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	180 days	A-1
Negotiable Certificates of Deposit	5 years	None
California Local Agency Investment Fund	N/A	None
Time Certificates of Deposit	N/A	None
Medium-Term Corporate Notes	5 years	AA
Mutual Funds	5 years	None

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

D. Interest Rate Risk

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

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

Investment Type	Investment Maturities			Total
	12 months or less	13 to 48 months	49 to 60 months	
Securities of U.S. Government Agencies				
Federal National Mortgage Association		\$1,978,596	\$1,461,110	\$3,439,706
Federal Farm Credit Bank	\$999,150	2,475,390	496,450	3,970,990
Federal Home Loan Bank	499,745			499,745
Federal Home Loan Mortgage Corporation	1,496,430	2,453,255	498,720	4,448,405
Corporate Notes	500,775			500,775
Time Certificates of Deposit:				
Ally Bank		244,656		244,656
American Express Centurion		244,656		244,656
Capital One Bank		253,525	251,296	504,821
Discover Bank		253,525		253,525
GE Capital			251,224	251,224
Money Market Mutual Fund	8,061,963			8,061,963
Local Agency Investments Funds	4,500,439			4,500,439
Total Investments	<u>\$16,058,502</u>	<u>\$7,903,603</u>	<u>\$2,958,800</u>	26,920,905
Cash in banks and on hand				<u>6,134,748</u>
Total Cash and Investments				<u><u>\$33,055,653</u></u>

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 - CASH AND INVESTMENTS (Continued)

E. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements and the actual rating as of June 30, 2016 for each investment type:

Investment Type	Aaa/AAAm	A2	Total
Securities of U.S. Government Treasury and Agencies			
Federal National Mortgage Association	\$3,439,706		\$3,439,706
Federal Farm Credit Bank	3,970,990		3,970,990
Federal Home Loan Bank	499,745		499,745
Federal Home Loan Mortgage Corporation	4,448,405		4,448,405
Corporate Notes		\$500,775	500,775
Money Market Mutual Funds	8,061,963		8,061,963
Total rated investments			20,921,584
Not rated or exempt:			
Local Agency Investment Fund			4,500,439
Certificates of Deposit			1,498,882
Cash in banks and on hand			6,134,748
Total Cash and Investments			<u>\$33,055,653</u>

F. Concentration of Credit Risk

Investments in the securities of any individual issuer, other than U.S. Treasury securities, mutual funds, and external investment fund that represent 5% or more of total investments in Entity-wide, are as follows at June 30, 2017:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association	U.S. Agency Notes	\$3,439,706
Federal Farm Credit Bank	U.S. Agency Notes	3,970,990
Federal Home Loan Mortgage Corporation	U.S. Agency Notes	4,448,405

G. Custodial Credit Risk

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 - CASH AND INVESTMENTS (Continued)

H. *Local Agency Investment Fund*

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligation, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, and corporations. At June 30, 2017, these investments matured in an average of 194 days.

I. *Cash, Cash Equivalents and Investments*

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value.

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

J. *Fair Value Hierarchy*

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 3 - CASH AND INVESTMENTS (Continued)

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2017:

	Level 2	Total
Investments by Fair Value Level:		
U.S. Agencies	\$12,358,846	\$12,358,846
Corporate Notes	500,775	500,775
Certificates of Deposit	1,498,882	1,498,882
Total Investments	\$14,358,503	14,358,503
Investments Measured at Amortized Cost:		
Money Market Mutual Funds		1,314,302
Held by Trustee:		
Money Market Mutual Funds		6,747,661
Investments Exempt from Fair Value Hierarchy:		
Local Agency Investment Fund		4,500,439
Cash in Bank and on hand		6,134,748
Total Cash and Investments		\$33,055,653

The Certificate of Deposits totaling \$1.5 million and U.S. Agencies totaling \$11.3 million classified in Level 2 of the fair value hierarchy, are valued using quoted prices for a non-active market portfolio at fiscal year-end. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

NOTE 4 - INTERFUND TRANSACTIONS

A. Due To/From Other Funds

All due to/from other funds represent temporary loans from the General Fund to cover cash flow shortfalls and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2017 interfund balances were as follows:

At June 30, 2017, the City had the following due to/from other funds:

	Due to Other Funds		Total
	Non-Major Governmental Funds	Internal Service Funds	
Due from Other Funds			
General Fund	\$714,727	\$5,568	\$720,295
Total	\$714,727	\$5,568	\$720,295

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

B. Advances To/From Other Funds

At June 30, 2017, the City had the following advances to/from other funds:

Advances to Other Funds	Advances from Other Funds			Total
	Utility Enterprise Fund	Marina Enterprise Fund	Non-Major Governmental Funds	
General Fund		\$247,237	\$528,966	\$776,203
Non-Major Governmental Funds	\$80,205			80,205
Total	\$80,205	\$247,237	\$528,966	\$856,408

The \$343,560 of advance from the 2005 Revenue Bonds, Series A Debt Service to Utility Enterprise Fund represents the portion of the 1995 COP Bonds that were used for the construction of the water tank. The Water Enterprise and the Guadalupe Valley Improvement District (combined into the Utility Enterprise Fund) make annual payments for their respective share of the debt service. The balance of the advance as of June 30, 2017 was \$80,205.

In March 2013 the City approved an advance from the General Fund to the Capital Improvement Fund in the amount of \$850,000. It was issued for the purpose of financing a property purchase from the Brisbane Housing Authority. The term of the advance is ten years. It bears interest at 1.89% annually and payments are due each March 1 in the amount of \$94,084. The balance of the advance as of June 30, 2017 was \$528,966.

In fiscal year 2015, the City approved an advance of \$117,929 from the General Fund to the Marina Enterprise Fund for dredging. Interest does not accrue on the advance.

C. Transfers In/Out

The City had the following transfers in/out for the year ended June 30, 2017:

Transfers Out	Transfers In					Total
	General Fund	Non-Major Governmental Funds	Utility Enterprise Fund	Marina Enterprise Fund	Internal Service Fund	
General Fund		\$1,896,770	\$70,000	\$119,000	\$606,883	\$2,692,653
Non-Major Governmental Funds	\$126,870				11,827	138,697
Enterprise Fund:						
Utility		108,155			60,229	168,384
Marina					25,908	25,908
Total	\$126,870	\$2,004,925	\$70,000	\$119,000	\$704,847	\$3,025,642

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 4 - INTERFUND TRANSACTIONS (Continued)

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

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

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

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, 2017, the City had the following loans receivable:

	Balance June 30, 2016	Deletions	Balance June 30, 2017
Governmental Funds:			
Loan to Administrative Services Director	\$318,750		\$318,750
Loan to City Manager	232,599	(\$232,599)	
2nd Loan to City Manager	200,000		200,000
Bridge Housing Corporation Loan	2,336,086		2,336,086
First Time Home Buyers	786,790	(54,934)	731,856
Loans to Successor Agency	2,408,636	(600,000)	1,808,636
Total Governmental Funds	6,282,861	(887,533)	5,395,328
Proprietary Funds:			
Loan to City Engineer/Director of Public Works	158,912	(26,152)	132,760
Loan to Successor Agency	2,295,996		2,295,996
Total Proprietary Funds	2,454,908	(26,152)	2,428,756
Total	\$8,737,769	(\$913,685)	\$7,824,084

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 July 8, 2008, the City made a loan to the City Manager in the amount of \$300,000 secured by a second deed of trust for the purchase of a home. The loan is secured by a deed of trust. The loan was fully paid off as of June 30, 2017.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 5 - LOANS RECEIVABLE (Continued)

- C.** 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.
- D.** 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.
- E.** 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.
- F.** *City Loans to Successor Agency*

SERAF - During the fiscal year 2011, the former Agency approved a short term interfund payable authorizing the RDA #1 and RDA #2 to borrow \$1,217,528 from the Low and Moderate Income Housing Fund to assist in making the Agency’s 2010-11 payment to the Supplemental Educational Revenue Augmentation Fund. The loan bears no interest rate and is repayable as a Recognized Obligation of the Successor Agency.

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

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

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

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 5 - LOANS RECEIVABLE (Continued)

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

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

In fiscal year 2014, the City unwound the advance from the Marina Fund (formerly the Parks and Receptions 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, 2017, 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.

- G. 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.

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, 2017

NOTE 6 - CAPITAL ASSETS (Continued)

Changes in capital assets during the year ended June 30, 2017 comprise of the following:

	Balance at June 30, 2016	Additions	Deletions	Balance at June 30, 2017
Governmental activities				
Non-depreciable capital assets:				
Land	\$14,437,157			\$14,437,157
Construction in progress	97,035	\$31,128		128,163
Total non-depreciable capital assets	14,534,192	31,128		14,565,320
Capital assets being depreciated:				
Land Improvements	5,678,745	654,248		6,332,993
Building and Structures	17,654,953			17,654,953
Machinery and Equipment	3,253,310	461,548	(\$27,361)	3,687,497
Infrastructure	30,865,210	892,894		31,758,104
Total capital assets, depreciable	57,452,218	2,008,690	(27,361)	59,433,547
Less accumulated depreciation:				
Capital assets being depreciated:				
Land Improvements	(1,688,615)	(154,350)		(1,842,965)
Building and Structures	(4,493,066)	(349,179)		(4,842,245)
Machinery and Equipment	(2,451,037)	(191,160)	26,683	(2,615,514)
Infrastructure	(8,229,719)	(537,071)		(8,766,790)
Total accumulated depreciation	(16,862,437)	(1,231,760)	26,683	(18,067,514)
Depreciable capital assets	40,589,781	776,930	(678)	41,366,033
Governmental activity capital assets, net	\$55,123,973	\$808,058	(\$678)	\$55,931,353

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 6 - CAPITAL ASSETS (Continued)

	Balance at June 30, 2016	Additions	Transfers	Balance at June 30, 2017
Business-type activities				
Capital assets not being depreciated:				
Land	\$647,815			\$647,815
Construction in Progress	3,354,354	\$1,552,533	(\$4,889,689)	17,198
Total capital assets not being depreciated	4,002,169	1,552,533	(4,889,689)	665,013
Capital assets, being depreciated:				
Land Improvements	7,419,406		4,889,689	12,309,095
Building and Structures	9,526,843			9,526,843
Machinery and Equipment	821,618			821,618
Infrastructure	32,245,204			32,245,204
Total capital assets being depreciated	50,013,071		4,889,689	54,902,760
Less accumulated depreciation for:				
Land Improvements	(6,192,602)	(88,664)		(6,281,266)
Building and Structures	(2,215,446)	(162,427)		(2,377,873)
Machinery and Equipment	(462,808)	(63,131)		(525,939)
Infrastructure	(13,406,448)	(436,740)		(13,843,188)
Total accumulated depreciation	(22,277,304)	(750,962)		(23,028,266)
Depreciable capital assets	27,735,767	(750,962)	4,889,689	31,874,494
Business-type activity capital assets, net	<u>\$31,737,936</u>	<u>\$801,571</u>		<u>\$32,539,507</u>

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	\$308,664
Public Safety	201,910
Public Works	521,991
Parks and Recreation	199,195
Total Governmental Activities	<u>\$1,231,760</u>
Business-Type Activities	
Water	\$179,797
Sewer	89,801
Guadalupe Valley Municipal Improvement District	339,948
Marina	141,416
Total Business-Type Activities	<u>\$750,962</u>

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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, 2017:

	Balance June 30, 2016	Retirements	Balance at June 30, 2017	Current Portion	Non-Current Portion
Governmental Activities					
2005 PFA, Series A (Lease Revenue)	\$203,374	(\$100,020)	\$103,354	\$103,354	
2009 PFA, Series A (City Hall Completion)	1,695,000	(95,000)	1,600,000	100,000	\$1,500,000
2006 Pension Obligation Refunding Bonds	1,560,000	(545,000)	1,015,000	600,000	415,000
2013 Pension Side Fund Bank Loan	1,461,000	(70,000)	1,391,000	80,000	1,311,000
2014 Lease Revenue Refunding Bonds	5,220,000	(205,000)	5,015,000	210,000	4,805,000
Unamortized discount on bonds	(58,461)	6,619	(51,842)	(6,619)	(45,223)
Energy Conservation Loan	128,413	(12,952)	115,461	13,082	102,379
Energy Efficiency Loan	41,401	(8,144)	33,257	8,144	25,113
Total Governmental Long-Term Debt	\$10,250,727	(\$1,029,497)	\$9,221,230	\$1,107,961	\$8,113,269
Business-type Activities					
2015 Utility Revenue Bonds	\$8,140,000	(\$305,000)	\$7,835,000	\$310,000	\$7,525,000
2015 Installment Sale Agreement	4,174,000	(119,000)	4,055,000	314,000	3,741,000
Total Business-Type Long-Term Debt	\$12,314,000	(\$424,000)	\$11,890,000	\$624,000	\$11,266,000

A. 2005 Brisbane Public Financing Authority Revenue Bonds, Series A

On February 1, 2005, the Authority issued \$3,265,000 principal amount 2005A Revenue Bonds to refund certain outstanding certificates of participation executed and delivered to finance certain capital projects for the City.

The Bonds mature annually through April 1, 2017, in amounts ranging from \$190,000 to \$310,000. The interest on the bonds is payable semiannually on each April 1 and October 1, with rates ranging from 3.00% to 3.75%. The Bonds are subject to optional and mandatory redemption prior to maturity. The Bonds are payable from lease payments from both the City's Utility Fund to the Authority and lease payments from the Successor Agency to the Authority.

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

Year ending June 30:	Principal	Interest	Total
2018	\$103,354	\$4,134	\$107,488
Total	\$103,354	\$4,134	\$107,488

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 7 - LONG-TERM DEBT (Continued)

B. 2009 Brisbane Public Financing Authority Lease Revenue Bonds, Series A

On March 11, 2009, Authority issued \$2,255,000 principal amount 2009A Revenue Bonds to finance the completion of the City Hall renovation and expansion project.

The bonds mature annually through April 1, 2029, in amounts ranging from \$70,000 to \$175,000. The interest on the bonds is payable semiannually on each April 1 and October 1, with rates ranging from 3.0% to 5.625%. The bonds are subject to optional and mandatory redemption prior to maturity. The bonds are payable from lease payment from the City to the Authority.

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

Year ending June 30:	Principal	Interest	Total
2018	\$100,000	\$89,343	\$189,343
2019	105,000	84,843	189,843
2020	110,000	79,856	189,856
2021	115,000	74,356	189,356
2022	120,000	68,318	188,318
2023-2027	710,000	233,261	943,261
2028-2029	340,000	30,900	370,900
Subtotal	1,600,000	660,877	2,260,877
Less Unamortized Discount	(13,790)		(13,790)
Total	\$1,586,210	\$660,877	\$2,247,087

C. 2006 Taxable Pension Obligation Refunding Bonds

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 7 - LONG-TERM DEBT (Continued)

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

Year ending June 30:	Principal	Interest	Total
2018	\$600,000	\$59,631	\$659,631
2019	125,000	24,381	149,381
2020	140,000	17,037	157,037
2021	150,000	8,812	158,812
Subtotal	1,015,000	109,861	1,124,861
Less Unamortized Discount	(38,052)		(38,052)
Total	\$976,948	\$109,861	\$1,086,809

D. 2013 Pension Side Fund Bank Loan

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.

Year ending June 30:	Principal	Interest	Total
2018	\$80,000	\$54,566	\$134,566
2019	165,000	50,586	215,586
2020	190,000	43,720	233,720
2021	220,000	35,860	255,860
2022	354,000	25,771	379,771
2023	382,000	11,403	393,403
Total	\$1,391,000	\$221,906	\$1,612,906

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 7 - LONG-TERM DEBT (Continued)

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

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

Year ending June 30:	Principal	Interest	Total
2018	\$210,000	\$169,830	\$379,830
2019	215,000	165,630	380,630
2020	220,000	159,180	379,180
2021	225,000	152,580	377,580
2022	235,000	143,580	378,580
2023-2027	1,315,000	577,100	1,892,100
2028-2032	1,540,000	350,980	1,890,980
2033-2035	1,055,000	76,969	1,131,969
Total	\$5,015,000	\$1,795,849	\$6,810,849

F. Energy Conservation Loan

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 were as follows:

Year ending June 30:	Principal	Interest	Total
2018	\$13,082	\$1,122	\$14,204
2019	13,213	991	14,204
2020	13,343	861	14,204
2021	13,479	725	14,204
2022	13,612	590	14,202
2023-2026	48,732	980	49,712
Total	\$115,461	\$5,269	\$120,730

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 7 - LONG-TERM DEBT (Continued)

G. Energy Efficiency Retrofit Loan

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 annual payment requirements on the loan were as follows:

Year ending June 30:	Principal	Total
2018	\$8,144	\$8,144
2019	8,144	8,144
2020	8,144	8,144
2021	8,144	8,144
2022	681	681
Total	\$33,257	\$33,257

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 bonds repayments are payable and secured by a pledge of the net revenues of the Utility Enterprise Fund as defined under the bond indenture. Total debt service paid in the current year was \$624,100 and Utility Enterprise Fund net revenue was \$1,605,260.

Future required debt services payments are as follows:

Year ending June 30:	Principal	Interest	Total
2018	\$310,000	\$309,850	\$619,850
2019	320,000	295,650	615,650
2020	340,000	279,150	619,150
2021	360,000	261,650	621,650
2022	385,000	243,025	628,025
2023-2027	2,190,000	908,050	3,098,050
2028-2032	2,635,000	463,370	3,098,370
2033-2036	1,295,000	97,268	1,392,268
Total	\$7,835,000	\$2,858,013	\$10,693,013

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 7 - LONG-TERM DEBT (Continued)

I. 2015 Installment Sale Agreement

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, 2017.

The repayments are payable and secured by a pledge of the net revenues of the Marina Enterprise Fund as defined under the bond indenture. No principal was paid for the current year, \$248,308 was paid in interest for the current year and Marina Enterprise Fund net operating loss was \$93,033.

Year ending June 30:	Principal	Interest	Total
2018	\$314,000	\$124,082	\$438,082
2019	346,000	114,036	460,036
2020	379,000	102,991	481,991
2021	391,000	91,073	482,073
2022	405,000	78,764	483,764
2023-2027	2,220,000	194,923	2,414,923
Total	\$4,055,000	\$705,869	\$4,760,869

J. Non-City Obligation

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

	Original Amount	Outstanding June 30, 2017
Northeast Ridge Development District 2013 Reassessment & Refunding District Bonds	<u>\$ 3,395,000</u>	<u>\$ 2,035,000</u>

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

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.

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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 - NET POSITION AND FUND BALANCES (Continued)

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.

Detailed classifications of the City's fund balances, as of June 30, 2017, 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
<i>Nonspendables:</i>					
Loans receivable	\$1,811,858				\$1,811,858
Other assets	5,895				5,895
Advances to other funds	776,203			80,205	856,408
Total Nonspendable Fund Balances	2,593,956			80,205	2,674,161
<i>Restricted for:</i>					
PARS pension trust	107,156				107,156
Low and moderate income housing projects		\$2,179,455			2,179,455
Debt service				261,423	261,423
Transportation and street improvements				209,432	209,432
Grant activities				72,162	72,162
Special revenue activities				1,138,373	1,138,373
Total Restricted Fund Balances	107,156	2,179,455		1,681,390	3,968,001
<i>Assigned to:</i>					
Capital projects				3,813,327	3,813,327
Encumbrances	60,798				60,798
Fire sinking fund	192,163				192,163
Total Assigned Fund Balances	252,961			3,813,327	4,066,288
Unassigned	8,701,829		(\$1,264,195)	(67,010)	7,370,624
Total Fund Balances	\$11,655,902	\$2,179,455	(\$1,264,195)	\$5,507,912	\$18,079,074

C. *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 2017, the amount, at minimum, is \$3,500,000.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 8 - NET POSITION AND FUND BALANCES (Continued)

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 2017, 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 2017, the minimum amount is approximately \$1,600,000.

For fiscal year 2017, the total amount to be set aside for emergency or disaster circumstances, recession circumstances and annual fluctuation circumstances is set at \$1,600,000. As of June 30, 2017, the actual total amount of fund balance of the General Fund was \$11,655,902 with an unassigned fund balance of \$8,701,829.

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

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

At June 30, 2017, the Utility Enterprise Fund's required work capital balance is \$1,088,409. The fund's actual unrestricted net position at June 30, 2017 was \$2,198,595. At June 30, 2017, the Marina Enterprise Fund's required work capital balance is \$387,882. The fund's actual unrestricted net position at June 30, 2017 was (\$2,028,829.) The City Council recognizes the Marina working capital balance is not in compliance with its fund balance requirement due to the Marina Dredging Project as it was built into the 2016/2017 budget.

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, 2017

NOTE 8 - NET POSITION AND FUND BALANCES (Continued)

D. 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
Non-Major Governmental Funds:	
Gax Tax	\$53,527
2006 Pension Obligation Bonds	5,848
Capital Project Fund	1,264,195
2013 Pension Side Fund Bonds	666
2005 Revenue Bonds Series B	263
Municipal Improvement District Public Financing Authority	4,122
Special Beautification Project	2,605
Internal Service Fund:	
Dental Self-Insurance	22,199
Flexible Benefits	1,668
Worker's Compensation	138,172

NOTE 9 – PENSION PLAN

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, 2017

NOTE 9 – PENSION PLAN (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, 2017, 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%	6.25%
Required employer contribution rates	25.553%	8.145%	6.81%
		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%	11.5%	11.5%
Required employer contribution rates	34.901%	12.407%	0.0%

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 \$746,147 in fiscal year 2017.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 9 – PENSION PLAN (Continued)

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the 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.

For the year ended June 30, 2017, the contributions to the Plan were as follows:

	Miscellaneous	
	All Plans	PARS
Contributions - employer	\$867,272	\$21,158
	Safety	
	All Plans	
Contributions - employer	\$824,601	

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

As of June 30, 2017, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$8,890,553
Safety	9,262,442
PARS	73,929
Total Net Pension Liability	\$18,226,924

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 9 – PENSION PLAN (Continued)

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, 2016, 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, 2015 rolled forward to June 30, 2016 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, 2015 and 2016 was as follows:

	<u>Miscellaneous Tier I</u>	<u>Miscellaneous PARS</u>
Proportion - June 30, 2015	0.26367%	100.00000%
Proportion - June 30, 2016	0.26663%	100.00000%
Change - Increase (Decrease)	<u>0.00296%</u>	<u>0.00000%</u>
	<u>Safety Tier I</u>	
Proportion - June 30, 2015	0.16040%	
Proportion - June 30, 2016	0.17166%	
Change - Increase (Decrease)	<u>0.01126%</u>	

For the year ended June 30, 2017, the City recognized pension expense of \$2,078,362. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$1,713,031	
Differences between actual and expected experience	28,948	\$63,431
Changes in assumptions	7,738	524,888
Net differences between actual and proportional contributions		1,131,789
Net differences between projected and actual earnings on plan investments	2,594,522	
Adjustment due to differences in proportion	811,944	606,445
Total	<u>\$5,156,183</u>	<u>\$2,326,553</u>

\$1,713,031 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2017	(\$370,405)
2018	(271,185)
2019	1,090,254
2020	667,935

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 9 – PENSION PLAN (Continued)

Actuarial Assumptions – For the measurement period ended June 30, 2016, the total pension liability was determined by rolling forward the June 30, 2015 total pension liability. The June 30, 2016 total pension liability was based on the following actuarial methods and assumptions:

	All CalPERS Plans	PARS
Valuation Date	June 30, 2015	June 30, 2015
Measurement Date	June 30, 2016	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.65%	6.50%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	2.0%
Projected Salary Increase	3.2% - 20.0% (1)	2.0%
Investment Rate of Return	7.5% (2)	6.50%
Mortality Rate Table	Derived using CalPers Membership Data for all Funds (3)	

(1) Depending on entry age and service

(2) Net of pension plan investment expenses, including inflation

(3) The mortality table used was developed based on CalPERS' specific data. The table includes 10 years of mortality improvements using Society of Actuaries Scale AA. For more details on this table, please refer to the CalPERS 2010 experience study report available on CalPERS website.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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 (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 9 – PENSION PLAN (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51%	5.25%	5.71%
Global Fixed Income	20%	0.99%	2.43%
Inflation Sensitive	6%	0.45%	3.36%
Private Equity	10%	6.83%	6.95%
Real Estate	10%	4.50%	5.13%
Infrastructure and Forestland	2%	4.50%	5.09%
Liquidity	1%	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% is used this period.

(b) An expected inflation of 3.0% is used 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:

	<u>Miscellaneous - All Plans</u>	<u>Miscellaneous PARS</u>	<u>Safety - All Plans</u>
1% Decrease	6.65%	5.50%	6.65%
Net Pension Liability	\$13,854,009	\$130,978	\$14,003,991
Current Discount Rate	7.65%	6.50%	7.65%
Net Pension Liability	\$8,890,553	\$73,929	\$9,262,442
1% Increase	8.65%	7.50%	8.65%
Net Pension Liability	\$4,816,064	\$24,868	\$5,343,788

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, 2017

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 29 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	<ul style="list-style-type: none"> • Retirees not eligible for Cash Stipend • Includes hourly employees and City Council <table style="margin-left: auto; margin-right: auto; border: none;"> <thead> <tr> <th style="text-align: center;"><u>Year</u></th> <th style="text-align: center;"><u>Monthly Amount</u></th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2013</td> <td style="text-align: center;">\$115</td> </tr> <tr> <td style="text-align: center;">2014</td> <td style="text-align: center;">119</td> </tr> <tr> <td style="text-align: center;">2015</td> <td style="text-align: center;">122</td> </tr> </tbody> </table>			<u>Year</u>	<u>Monthly Amount</u>	2013	\$115	2014	119	2015	122
<u>Year</u>	<u>Monthly Amount</u>										
2013	\$115										
2014	119										
2015	122										
▪ Surviving Spouse Benefit	<ul style="list-style-type: none"> • Retirement plan election • PEMHCA minimum benefit continues to surviving spouses • No Cash Stipend for surviving spouses 										
▪ Dental, Vision & Life	• None										

As of June 30, 2017, approximately 43 participants were eligible to receive benefits.

B. Funding Policy and Actuarial Assumptions

The annual required contribution (ARC) was determined as part of a June 30, 2016 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 3.9% investment rate of return, (b) 3% projected annual salary increase, (c) 2.5% general inflation increases, and (d) healthcare cost inflation between 3.94% and 6.8%. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The City's OPEB unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over fixed 30 years closed amortization period.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

C. Funding Progress and Funded Status

Generally accepted accounting principles permits contributions to be treated as OPEB assets and deducted from the Actuarial Accrued Liability (AAL) when such contributions are placed in an irrevocable trust or equivalent arrangement. During the fiscal year ended June 30, 2017, the City has calculated and recorded the Net OPEB obligation, representing the difference between the ARC and contributions as presented below:

Net OPEB Obligation June 30, 2016	\$3,963,047
Annual required contribution (ARC)	825,331
Interest on Net OPEB Obligation	154,829
Adjustment to annual required contribution	(155,538)
Annual OPEB cost	824,622
City's contribution to PARS Trust	100,000
City's portion of current year premiums paid	269,641
Change in Net OPEB Obligation	454,981
Net OPEB Obligation June 30, 2017	\$4,418,028

The Schedule of Funding Progress presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. The City uses the alternative measurement method which is in compliance with GASB 45. Trend data from the most recent actuarial study is presented below:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Unfunded Actuarial Accrued Liability (UAAL) (B)	Covered Payroll (C)	Funded Ratio (A/B)
6/30/2013	\$0	\$8,555,966	\$5,624,002	0.0%
6/30/2015	496,933	8,059,033	6,274,552	6.2%
6/30/2016	997,236	11,261,565	6,489,882	8.9%

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

D. OPEB Trust Fund

Plan Administration - The City is the plan administrator. The Public Agency Retirement Services (PARS) administers the trust for the City’s retiree healthcare benefit plan - an agent multiple-employer defined benefit OPEB plan that provides healthcare benefits for eligible general and public safety employees of the City.

	Fiscal Year ended 6/30/17
Plan Type	Agent Multiple Employer
OPEB Trust	Yes
Special Funding Situation	No
Nonemployer Contributing Entity	No

Plan Membership - As of June 30, 2017, membership in the plan consisted of the following:

	Number of Covered Employees
Retirees and beneficiaries receiving benefits	43
Active plan members	71
	114

Contribution Information - PARS established rates for each employer based on an actuarially determined rate for each employer. For the year ended June 30, 2017, the City’s average contribution rate was 1.62% of covered-employee payroll. Plan members are not required to contribute to the plan.

Investment Policy - PARS offers different investment portfolios as part of the investment vehicle. The City invests in the “Moderate HighMark PLUS” portfolio; the primary goal of the Moderate HighMark Plus objective is growth of principal and income. The major portions of the assets are invested in equity securities and market fluctuations are expected.

The following is the City adopted asset allocation policy as of June 30, 2017:

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Investment Concentration - For the year ended June 30, 2017, the annual money-weighted rate of return on investments, net of investment expense, was 6.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability – The components of the net OPEB liability of the City at June 30, 2017, were as follows:

Measurement Date - 6/30/2017	Fiscal Year ended 6/30/17
Total OPEB Liability	\$9,339,690
Plan Fiduciary Net Position (FNP)	(1,195,729)
City's Net OPEB Liability	\$8,143,961
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	12.8%

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions:

Measurement Date	June 30, 2016
Funding Policy	Annual actuarial determined contributions.
Salary Increases	Aggregate salary increases, 3.00%. Individual salary increased based on CalPERS
Healthcare Cost Trend Rate	6.80% in the first year, trending down to 3.94% over 56 years
Inflation	2.5%
Actuarial Assumptions:	
Discount Rate	6.25%
Investment Rate of Return	6.25%
Mortality	Based on CalPERS tables

Discount Rate - The discount rate used to measure the total OPEB liability was 6.25% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that City contributions 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 be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate - In accordance with GASB 74, regarding the disclosure of the sensitivity of the net OPEB liability to changes in the discount rate, the following table presents the net OPEB liability of the Plan as of June 30, 2017, calculated using the discount rate of 6.25%, as well as what the Plan’s net OPEB 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:

	Discount Rate		
	1% Decrease	Current	1% Increase
	(5.25%)	(6.25%)	(7.25%)
Net OPEB Liability	\$ 9,381,890	\$ 8,143,961	\$ 7,120,044

Sensitivity of the Net OPEB Liability to Changes in the Health Cost Trend Rate - 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 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Trend Rate		
	1% Decrease	Current	1% Increase
	5.80% decreasing to 2.94%	6.80% decreasing to 3.94%	7.80% decreasing to 4.94%
Net OPEB Liability	\$ 6,879,454	\$ 8,143,961	\$ 9,701,099

NOTE 11 - 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.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 11 - RISK MANAGEMENT (Continued)

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.

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, 2017, the estimated claims payable for general liability and workers' compensation included claims incurred but not reported (IBNR). There were no reductions in insurance coverage from the prior year and no insurance settlement exceeded coverage in each of the past three years.

Beginning balance of claims payable	\$1,064,131
Changes to estimated claims liability	(98,358)
Claims paid	<u>95,047</u>
Ending balance of claims payable	<u>\$1,060,820</u>
Current Portion	<u>\$286,588</u>

NOTE 12 – COMMITMENTS AND CONTINGENT LIABILITIES

A. Lawsuits

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. In the opinion of the City Attorney, these actions, when finally adjudicated, will not have a material adverse effect on the financial condition of the City.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 12 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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.

C. *Operating Leases*

The City leased three Konica copiers from Caltronics Business Systems for the operations of the City. The total amount of the lease amounted to \$148,796. The City does not intend to capitalize the copiers at the end of the lease. All payments were expenditures from the General Fund. The rental cost for the year ended June 30, 2017 was \$54,286.

D. *Encumbrances*

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding as of June 30, 2017 were as listed below:

	Amount
General Fund	\$60,798
Grant	\$1,734
NPDES	97,381
Capital Projects	15,800

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

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

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

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 12 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

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

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

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

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

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

The City paid its surcharge of \$130,1812 during fiscal year 2017, which is included as a component of purchased water expenses in the Utility Enterprise Fund. The surcharge for fiscal year 2018 is estimated to be \$125,184.

F. San Mateo County Animal Shelter

Since 1951 cities in San Mateo County have contracted with the County to manage animal control field and sheltering services. The current shelter has been determined to be inadequate to meet current animal sheltering services. In May 2014, all the municipalities signed an agreement, effective September 9, 2014, to share in the construction costs for a new animal control center by repaying the County through a 30-year, interest free lease agreement in the amount of \$20.2 million. The City's share of annual lease payment is based on a methodology of three year average of shelter use and percentage of population. The City's estimated annual lease payment is \$5,600. Payments commence after the new animal shelter facility is completed, and are due each July 1st. As of June 30, 2017, construction of the new animal shelter facility had yet to be completed.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 13 - SEGMENT INFORMATION

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

Utility Fund Statement of Net Position

	Water	Sewer	Guadalupe Valley Municipal Improvement District	Total Utility
ASSETS				
Current assets:				
Cash and investments	\$2,346,500	\$469,944	\$671,364	\$3,487,808
Restricted cash			5,003,835	5,003,835
Accounts receivable, net	370,491	370,491	370,491	1,111,473
Taxes receivable			96	96
Interest receivable	5,029	3,561	8,624	17,214
Total current assets	2,722,020	843,996	6,054,410	9,620,426
Noncurrent assets:				
Capital assets:				
Non-depreciable	88,912		558,903	647,815
Depreciable, net	8,193,482	4,334,712	13,259,945	25,788,139
Total capital assets	8,282,394	4,334,712	13,818,848	26,435,954
Total noncurrent assets	8,282,394	4,334,712	13,818,848	26,435,954
Total assets	11,004,414	5,178,708	19,873,258	36,056,380
DEFERRED OUTFLOWS				
Deferred outflows related to pension	70,736	70,735	70,735	212,206
Total Deferred Outflows	70,736	70,735	70,735	212,206
LIABILITIES				
Current liabilities:				
Accounts payable	214,528	182,545	179,579	576,652
Accrued payroll	4,179	4,548	5,293	14,020
Interest payable	72,403	72,403	72,403	217,209
Compensated absences	7,000	2,844	3,206	13,050
Deposits	5,174	5,174	5,174	15,522
Bonds payable due within one year	103,334	103,333	103,333	310,000
Total current liabilities	406,618	370,847	368,988	1,146,453
Noncurrent liabilities:				
Compensated absences	21,000	8,533	9,617	39,150
Advances from other funds	39,124		41,081	80,205
Bonds payable due in more than one year	2,508,334	2,508,333	2,508,333	7,525,000
Net pension liability	236,025	236,025	236,025	708,075
OPEB Obligation	48,261	48,260	48,260	144,781
Total noncurrent liabilities	2,852,744	2,801,151	2,843,316	8,497,211
Total liabilities	3,259,362	3,171,998	3,212,304	9,643,664
DEFERRED INFLOWS				
Deferred inflows related to pension	20,885	20,884	20,884	62,653
Total Deferred Inflows	20,885	20,884	20,884	62,653
NET POSITION				
Invested in capital assets, net of related debt	5,670,726	1,723,046	16,211,017	23,604,789
Restricted for:				
Capital projects	717,981		40,904	758,885
Unrestricted	1,406,196	333,515	458,884	2,198,595
Total net position	\$7,794,903	\$2,056,561	\$16,710,805	\$26,562,269

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 13 - SEGMENT INFORMATION (Continued)

Utility Fund Statement of Activities

	Water	Sewer	Guadalupe Valley Municipal Improvement District	Total Utility
OPERATING REVENUES:				
Charges for services	\$1,670,143	\$1,182,612	\$2,863,845	\$5,716,600
Other				
Total operating revenues	<u>1,670,143</u>	<u>1,182,612</u>	<u>2,863,845</u>	<u>5,716,600</u>
OPERATING EXPENSES:				
Costs of sales and services	1,038,643	976,068	966,596	2,981,307
General and administrative	586,121	572,511	692,559	1,851,191
Depreciation	179,797	89,801	339,948	609,546
Other				
Total operating expenses	<u>1,804,561</u>	<u>1,638,380</u>	<u>1,999,103</u>	<u>5,442,044</u>
OPERATING INCOME (LOSS)	<u>(134,418)</u>	<u>(455,768)</u>	<u>864,742</u>	<u>274,556</u>
NONOPERATING REVENUES (EXPENSES):				
Taxes and assessments			30,241	30,241
Investment income	2,224	2,224	2,223	6,671
Interest expense	(141,483)	(141,483)	(141,484)	(424,450)
Total nonoperating revenues (expenses)	<u>(139,259)</u>	<u>(139,259)</u>	<u>(109,020)</u>	<u>(387,538)</u>
INCOME (LOSS) BEFORE TRANSFERS	<u>(273,677)</u>	<u>(595,027)</u>	<u>755,722</u>	<u>(112,982)</u>
Capital contribution	222,670		233,808	456,478
Transfers in	23,334	23,333	23,333	70,000
Transfers out	(82,138)		(86,246)	(168,384)
Total transfers in and out	<u>163,866</u>	<u>23,333</u>	<u>170,895</u>	<u>358,094</u>
Change in net positions	<u>(109,811)</u>	<u>(571,694)</u>	<u>926,617</u>	<u>245,112</u>
NET POSITIONS:				
Beginning of year	7,904,714	2,628,255	15,784,188	26,317,157
End of year	<u>\$7,794,903</u>	<u>\$2,056,561</u>	<u>\$16,710,805</u>	<u>\$26,562,269</u>

CITY OF BRISBANE
Notes to Basic Financial Statements
For the Year Ended June 30, 2017

NOTE 13 - 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	\$1,611,280	\$1,123,749	\$2,804,982	\$5,540,011
Cash payments to suppliers	(1,508,496)	(1,622,038)	(1,497,433)	(4,627,967)
Net cash provided (used) by operating activities	102,784	(498,289)	1,307,549	912,044
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Taxes and assessments			30,768	30,768
Advances from other funds	(15,734)	(555,303)	(43,251)	(614,288)
Transfers in	246,004	23,333	257,141	526,478
Transfers out	(82,138)	-	(86,246)	(168,384)
Net cash provided (used) by noncapital financing activities	148,132	(531,970)	158,412	(225,426)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of property, plant and equipment	391,769	(633,327)	241,558	
Principal payment of debt	(101,665)	(101,668)	(101,667)	(305,000)
Interest paid	(104,874)	(104,874)	(104,876)	(314,624)
Net cash provided (used) by capital and related financing activities	185,230	(839,869)	35,015	(619,624)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income received	(471)	85	(3,534)	(3,920)
Net cash provided (used) by investing activities	(471)	85	(3,534)	(3,920)
Net increase (decrease) in cash and cash equivalents	435,675	(1,870,043)	1,497,442	63,074
CASH AND CASH EQUIVALENTS:				
Beginning of year	1,910,825	2,339,987	4,177,757	8,428,569
End of year	\$2,346,500	\$469,944	\$5,675,199	\$8,491,643
FINANCIAL STATEMENT PRESENTATION:				
Cash and cash equivalents	\$2,346,500	\$469,944	\$671,364	\$3,487,808
Restricted cash and cash equivalents with fiscal agents			\$5,003,835	5,003,835
Total cash and cash equivalents	\$2,346,500	\$469,944	\$5,675,199	\$8,491,643
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating income (loss)	(\$134,418)	(\$455,768)	\$864,742	\$274,556
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	179,797	89,801	339,948	609,546
Changes in current assets and liabilities:				
Accounts receivable	(58,863)	(58,863)	(58,863)	(176,589)
Accounts payable and accrued liabilities	211,881	177,315	177,100	566,296
Accrued payroll	(986)	(617)	129	(1,474)
Compensated absences	(1,732)	(4,834)	262	(6,304)
Deposits	(98,701)	(251,129)	(21,575)	(371,405)
Net pension liability, deferred inflows and deferred outflows	5,805	5,806	5,806	17,417
Total adjustments	237,201	(42,521)	442,807	637,487
Net cash provided (used) by operating activities	\$102,783	(\$498,289)	\$1,307,549	\$912,043

See accompanying Notes to Basic Financial Statements.

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

NOTE 14 – 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, 2017 are discussed in Note 3 above.

B. Long-Term Obligations

Description	Balance June 30, 2016	Retirements	Balance June 30, 2017	Current Portion	Non-current Portion
2005 Brisbane PFA, Series A	\$406,626	(\$199,980)	\$206,646	\$206,646	
2013 Tax Allocation Bonds	14,485,000	(1,180,000)	13,305,000	1,235,000	\$12,070,000
Total long-term debt	<u>\$14,891,626</u>	<u>(\$1,379,980)</u>	<u>\$13,511,646</u>	<u>\$1,441,646</u>	<u>\$12,070,000</u>
Loans payable to the City of Brisbane					
SERAF	\$1,115,528	(\$600,000)	\$515,528		
City General Fund	1,293,108		1,293,108		
City Marina Enterprise Fund	2,295,996		2,295,996		
Total loans payable to the City	<u>\$4,704,632</u>	<u>(\$600,000)</u>	<u>\$4,104,632</u>		

1. 2005 Brisbane Public Financing Authority Revenue Bonds, Series A

On February 1, 2005, the Authority issued \$3,265,000 principal amount of 2005A Revenue Bonds to advance refund the 1995 certificates of participation.

The 2005A bonds mature annually through April 1 2017, in amounts ranging from \$190,000 to \$310,000. The interest on the bonds is payable semiannually on each April 1 and October 1, with rates ranging from 3.00% to 3.75%. The bonds are subject to optional and mandatory redemption prior to maturity. The bonds secured by the lease agreement between the former Agency and the City whereby tax increment was pledged for 66.66% of the debt service.

Accordingly, 66.66% of the annual debt service requirements on the bonds were as follows:

Year ending June 30:	Principal (66.66%)	Interest (66.66%)	Total
2018	\$206,646	\$8,266	\$214,912
Total	<u>\$206,646</u>	<u>\$8,266</u>	<u>\$214,912</u>

**CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

**NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

With the dissolution of the former Redevelopment Agency, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County’s Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

2. 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. This amount is being amortized over the life of the new debt. The advanced refunding resulted in an economic gain of \$1,685,508.

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. Total principal and interest remaining to be paid on the bonds is \$16,110,158. Principal and interest paid for the current year was \$1,767,570.

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

Year ending June 30:	Principal	Interest	Total
2018	\$1,235,000	\$538,097	\$1,773,097
2019	1,280,000	486,450	1,766,450
2020	1,335,000	432,941	1,767,941
2021	1,390,000	377,155	1,767,155
2022	1,450,000	318,884	1,768,884
2023-2027	6,525,000	649,775	7,174,775
2028	90,000	1,856	91,856
Total	\$13,305,000	\$2,805,158	\$16,110,158

CITY OF BRISBANE
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2017

**NOTE 14 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY
ACTIVITIES (Continued)**

C. *Commitments and Contingencies*

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

State Asset Transfer Review

The activities of the former Redevelopment Agency and the Successor Agency are subject to further examination by the State of California and the amount, if any, of expenditures which may be disallowed by the State cannot be determined at this time. In addition, the State Controller's Office will be conducting a review of the propriety of asset transfers between the former Redevelopment Agency or the Successor Agency and any public agency that occurred on or after January 1, 2011 and the amount, if any, of assets that may be required to be returned to the Successor Agency cannot be determined at this time. In July 2014, the State Controller Office issued the Asset Transfer Review Report. The report required the City to return \$137,099 of disallowed transfers. The payment was made in fiscal year 2015.

NOTE 15 - 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, 2017, more than 11.4% of the City's General Fund's total revenues were derived from a single company.

NOTE 17 – SUBSEQUENT EVENTS

A. *Authorized but Unissued Debt Refunding*

On May 18, 2017, the City authorized the issuance of the Lease Revenue Refunding Bonds, Series 2017 in the amount of \$1,630,000 for the purpose of refunding 2009 Public Financing Authority, Series A (City Hall Completion) bonds. Principal payments of \$126,000 to \$149,000 are due annually on April 1, 2018 through April 1, 2029 with an interest rate of 2.21%. The debt was authorized, but unissued as of June 30, 2017.

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, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES:				
Taxes and special assessments	\$9,763,400	\$10,315,030	\$11,241,475	\$926,445
Intergovernmental	18,000	99,000	269,071	170,071
Licenses, permits and fees	3,710,800	3,724,900	4,018,803	293,903
Charges for services	2,148,267	2,082,967	2,459,274	376,307
Fines and forfeitures	58,800	40,000	47,766	7,766
Use of money and property	110,000	110,000	94,759	(15,241)
Other revenues	460,920	518,620	330,059	(188,561)
Total Revenues	<u>16,270,187</u>	<u>16,890,517</u>	<u>18,461,207</u>	<u>1,570,690</u>
EXPENDITURES:				
Current:				
General government	4,721,536	4,553,444	4,647,220	(93,776)
Public safety - police	4,170,438	4,338,093	4,389,738	(51,645)
Public safety - fire	2,434,439	2,480,677	2,402,537	78,140
Public works	1,946,113	2,003,796	1,927,836	75,960
Parks and recreation	2,169,188	2,171,227	2,138,545	32,682
Capital outlay			629	(629)
Debt service:				
Principal			12,952	(12,952)
Interest and fiscal charges			1,252	(1,252)
Total Expenditures	<u>15,441,714</u>	<u>15,547,237</u>	<u>15,520,709</u>	<u>26,528</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>828,473</u>	<u>1,343,280</u>	<u>2,940,498</u>	<u>1,597,218</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	94,084	94,084	126,870	32,786
Transfers (out)	(2,340,437)	(2,340,437)	(2,692,653)	(352,216)
Total other financing sources (uses)	<u>(2,246,353)</u>	<u>(2,246,353)</u>	<u>(2,565,783)</u>	<u>(319,430)</u>
NET CHANGE IN FUND BALANCE	<u>(\$1,417,880)</u>	<u>(\$903,073)</u>	<u>374,715</u>	<u>\$1,277,788</u>
BEGINNING FUND BALANCE			<u>11,281,187</u>	
ENDING FUND BALANCE			<u>\$11,655,902</u>	

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, 2017

	<u>Budgeted Amounts</u>		Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Actual</u>	
REVENUES:			
Use of money and property		\$68,588	\$68,588
Total Revenues		<u>68,588</u>	<u>68,588</u>
EXPENDITURES:			
Current:			
Public works	\$6,500	9,976	(3,476)
Total Expenditures	<u>6,500</u>	<u>9,976</u>	<u>(3,476)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(6,500)</u>	<u>58,612</u>	<u>65,112</u>
NET CHANGE IN FUND BALANCE	<u><u>(\$6,500)</u></u>	58,612	<u><u>\$65,112</u></u>
BEGINNING FUND BALANCE		<u>2,120,843</u>	
ENDING FUND BALANCE		<u><u>\$2,179,455</u></u>	

**CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017**

Cost-Sharing Defined Pension Plan
As of fiscal year ending June 30, 2016
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

<u>Measurement Date</u>	<u>Miscellaneous Plan</u>			
	<u>All Plans</u> <u>6/30/2014</u>	<u>PARS</u> <u>6/30/2014</u>	<u>All Plans</u> <u>6/30/2015</u>	<u>PARS</u> <u>6/30/2015</u>
Plan's Proportion of the Net Pension Liability/Asset	0.08842%	100.00000%	0.26367%	100.00000%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$5,501,793	\$52,309	\$7,233,676	\$109,714
Plan's Covered Payroll	\$3,483,585	\$206,669	\$3,911,732	\$215,862
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	157.93%	24.23%	184.92%	50.83%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	83.03%	87.59%	21.65%	22.01%

<u>Measurement Date</u>	<u>Miscellaneous Plan</u>	
	<u>All Plans</u> <u>6/30/2016</u>	<u>PARS</u> <u>6/30/2016</u>
Plan's Proportion of the Net Pension Liability/Asset	0.26663%	100.00000%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$9,262,442	\$73,929
Plan's Covered Payroll	\$4,105,895	\$225,028
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	225.59%	32.85%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	26.30%	14.15%

**CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017**

Cost-Sharing Defined Pension Plan
As of fiscal year ending June 30, 2017
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

	Miscellaneous Plan					
	All Plans		All Plans		All Plans	
	2015	2016	2015	2016	2017	2017
Actuarially determined contribution	\$608,408	\$20,560	\$414,697	\$21,117	\$867,272	\$21,158
Contributions in relation to the actuarially determined contributions	(608,408)	(20,560)	(414,697)	(21,117)	(867,272)	(21,158)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$3,911,732	\$215,862	\$4,105,895	\$225,028	\$4,485,437	\$229,529
Contributions as a percentage of covered payroll	15.55%	9.52%	10.10%	9.38%	19.34%	9.22%
Notes to Schedule						
Valuation date:	6/30/2012	6/30/2012	6/30/2013	6/30/2013	6/30/2014	6/30/2014
Methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age		Entry age		Entry age	
Amortization method	Level percentage of payroll, closed		Level percentage of payroll, closed		Level percentage of payroll, closed	
Remaining amortization period	30 years	12 years	30 years	20 years	30 years	20 years
Asset valuation method	5-year smoothed market		5-year smoothed market		5-year smoothed market	
Inflation	2.75%	3.00%	2.75%	2.75%	2.75%	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service and type of employment	2.00%	Varies on Age, Service and Type of Employment	2.00%	Varies on Age, Service and Type of Employment	2.00%
Investment rate of return	7.5%, net of pension plan investment and administrative expenses, including inflation	7.00%	7.65%, net of pension plan investment and administrative expenses, including inflation	7.00%	7.65%, net of pension plan investment and administrative expenses, including inflation	7.00%
Retirement age	55 yrs. Misc., 60 years Tier 2, 62 yrs. Tier 3	63 years	55 yrs. Misc., 60 years Tier 2, 62 yrs. Tier 3	63 years	55 yrs. Misc., 60 years Tier 2, 62 yrs. Tier 3	63 years
Mortality	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.		The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale AA.		The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.	

* Fiscal year 2016 was the 1st year of implementation, therefore only two years are shown.

**CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017**

Cost-Sharing Defined Pension Plan
As of fiscal year ending June 30, 2016
Last 10 Years*

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Dates	Safety Plan All Plans 6/30/2014	Safety Plan All Plans 6/30/2015	Safety Plan All Plans 6/30/2016
Plan's Proportion of the Net Pension Liability/Asset	0.10478%	0.16040%	0.17166%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$6,519,984	\$6,609,094	\$8,890,553
Plan's Covered Payroll	\$2,604,534	\$2,895,118	\$2,549,311
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	250.33%	228.28%	348.74%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	81.42%	18.66%	24.31%

* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

Cost-Sharing Defined Pension Plan
As of fiscal year ending June 30, 2016
Last 10 Years*
SCHEDULE OF CONTRIBUTIONS

	Safety Plan All Plans 2015	Safety Plan All Plans 2016	Safety Plan All Plans 2017
Actuarially determined contribution	\$544,677	\$446,822	\$824,601
Contributions in relation to the actuarially determined contributions	(544,677)	(446,822)	(824,601)
Contribution deficiency (excess)	\$0	\$0	\$0
Covered payroll	\$2,895,118	\$2,549,311	\$3,201,004
Contributions as a percentage of covered payroll	18.81%	17.53%	25.76%
Notes to Schedule			
Valuation date:	6/30/2012	6/30/2013	6/30/2014
Methods and assumptions used to determine contribution rates:			
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of payroll, closed	Level percentage of payroll, closed	Level percentage of payroll, closed
Remaining amortization period	30 years	30 years	30 years
Asset valuation method	5-year smoothed market	5-year smoothed market	5-year smoothed market
Inflation	2.75%	2.75%	2.75%
Salary increases	3.30% to 14.20% depending on Age, Service and type of employment	Varies by Age, Service and Type of Employment	Varies by Age, Service and Type of Employment
Investment rate of return	7.5%, net of pension plan investment and administrative expenses, including inflation	7.65%, net of pension plan investment and administrative expenses, including inflation	7.65%, net of pension plan investment and administrative expenses, including inflation
Retirement age	55 yrs. Safety, 57 yrs. Tier 2	55 yrs. Safety; 57 yrs. Tier 2	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 2014 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale AA.	The probabilities of mortality are derived from CalPERS' Membership Data for all Funds based on CalPERS' specific data from a 2010 CalPERS Experience Study. The table includes 20 years of mortality improvements using the Society of Actuaries Scale BB.

* Fiscal year 2016 was the 1st year of implementation, therefore only two years are shown.

**CITY OF BRISBANE
 REQUIRED SUPPLEMENTARY INFORMATION
 For the Year Ended June 30, 2017**

City Schedule of OPEB Funding Progress

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2015	\$740,599	\$231,382	31%	\$3,969,981
6/30/2016	740,599	231,382	31%	3,963,047
6/30/2017	824,622	369,641	45%	4,418,028

CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017

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

For the Measurement Period Ended June 30	<u>2017</u>
Total OPEB Liability	
Service Cost	\$220,254
Interest	548,482
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	-
Benefit Payments	(246,909)
Implicit rate subsidy fulfilled	<u>(162,600)</u>
Net change in Total OPEB Liability	359,227
Total OPEB Liability at beginning of year	<u>8,980,463</u>
 Total OPEB Liability at end of year	 <u><u>\$9,339,690</u></u>
 Plan Fiduciary Net Position	
Contributions - employer	\$509,509
Contributions - member	-
Net investment income	74,661
Benefit payments	(246,909)
	(162,600)
Administrative expenses	<u>(1,353)</u>
Net change in Plan Fiduciary Net Position	173,308
Plan Fiduciary Net Position at beginning of year	<u>1,022,421</u>
 Plan Fiduciary Net Position at end of year	 <u><u>\$1,195,729</u></u>
 Authority's Net OPEB Liability (Asset) at end of year	 <u><u>\$8,143,961</u></u>
 Plan's Fiduciary Net Position as percentage of Total OPEB	 12.8%
 Covered Payroll	 \$6,233,308
 Net OPEB Liability as percentage of covered-employee payroll	 130.65%

Notes:

* Fiscal year 2017 was the first year of implementation

**CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017**

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

For the Fiscal Year Ended June 30	<u>2017</u>
Actuarially determined contributions	\$793,560
Contributions in relation to the actuarially determined contribution	<u>(\$509,509)</u>
Contributions deficiency (excess)	\$284,051
 Covered Payroll	 \$6,233,308
 Contributions as a percentage of covered payroll	 8.17%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation date	6/30/2016
Actuarial cost method	Entry Age normal, level percent of pa
Amortization method	Closed period, level percent of pay
Remaining amortization period	20 years
	Market value as of fiscal year-end
Asset valuation method	2017
Inflation	2.50%
Projected salary increases	3.00%
Healthcare trend rate	6.80%, trending down to 3.94%
PEMHCA trend rate	3.00%
Discount rate, net of investment expenses	6.250%
Retirement rate	CaPERS Rates
Mortality rate	CaPERS Rates
Expected return on plan assets	6.970%

* Fiscal year 2017 was the first year of implementation

**CITY OF BRISBANE
REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2017**

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

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

Notes:

* Fiscal year 2017 was the first year of implementation

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 and Contract Employees Special Revenue Funds are special revenue funds with single focus purpose that when needed are approved by City Council or part of an existing contract and therefore did not have adopted budgets for the fiscal year. The capital projects funds did not have adopted budgets for the fiscal year, but all capital projects are approved by City Council prior to commitment. The legal level of budgetary control is the fund level.
4. Budgets for those governmental funds budgeted are adopted on a basis consistent with GAAP.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2015, 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.

SUPPLEMENTARY 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%).

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.

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.

NON-MAJOR GOVERNMENTAL FUNDS

DEBT SERVICE FUNDS**Brisbane Public Financing Authority:**

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

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

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

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

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

Brisbane – Guadalupe Valley Municipal Improvement Financing Authority:

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

NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

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, 2017

SPECIAL REVENUE FUNDS

	<u>Gas Tax</u>	<u>Measure A</u>	<u>Sierra Point Landscape & Lighting</u>	<u>Grants</u>
ASSETS				
Cash and investments		\$190,203	\$360,922	\$69,243
Restricted cash and investments with fiscal agents				
Accounts receivable, net		577	1,125	4,770
Interest receivable				
Taxes receivable		18,652		
Advances to other funds				
Total Assets		<u>\$209,432</u>	<u>\$362,047</u>	<u>\$74,013</u>
LIABILITIES				
Accounts payable			\$30,880	\$250
Accrued payroll			807	
Due to other funds	\$53,365			
Deposits payable				1,601
Interest payable	162			
Advances from other funds				
Unearned Revenue				
Total Liabilities	<u>53,527</u>		<u>31,687</u>	<u>1,851</u>
FUND BALANCE				
Nonspendable				
Restricted		\$209,432	330,360	72,162
Assigned				
Unassigned	<u>(53,527)</u>			
Total Fund Balances	<u>(53,527)</u>	<u>209,432</u>	<u>330,360</u>	<u>72,162</u>
Total Liabilities and Fund Balances		<u>\$209,432</u>	<u>\$362,047</u>	<u>\$74,013</u>

SPECIAL REVENUE FUNDS					DEBT SERVICE FUNDS
NPDES	Fire Training	Contract Employees	Public Arts	Tree Plant	2006 Pension Obligation Bonds
\$549,524	\$3,213	\$132,491	\$210,902	\$4,510	\$29,778
	10	17,522 402	639	14	
<u>\$549,524</u>	<u>\$3,223</u>	<u>\$150,415</u>	<u>\$211,541</u>	<u>\$4,524</u>	<u>\$29,778</u>
\$9,086 2,502		\$2,245			\$33,594 2,032
<u>11,588</u>		<u>2,245</u>			<u>35,626</u>
440,555 97,381	\$3,223	148,170	\$211,541	\$4,524	(5,848)
<u>537,936</u>	<u>3,223</u>	<u>148,170</u>	<u>211,541</u>	<u>4,524</u>	<u>(5,848)</u>
<u>\$549,524</u>	<u>\$3,223</u>	<u>\$150,415</u>	<u>\$211,541</u>	<u>\$4,524</u>	<u>\$29,778</u>

(Continued)

CITY OF BRISBANE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017

DEBT SERVICE FUNDS

	2001 Revenue Bonds, Series B	2005 Revenue Bonds, Series A	2009 Revenue Lease Bonds, Series A	2013 Pension Side Fund Bonds
ASSETS				
Cash and investments	\$21	\$73,832		
Restricted cash and investments with fiscal agents		41	\$190,336	
Accounts receivable, net		1,915		
Interest receivable				
Taxes receivable				
Advances to other funds		80,205		
Total Assets	\$21	\$155,993	\$190,336	
LIABILITIES				
Accounts payable				
Accrued payroll				
Due to other funds			\$3,789	\$279
Deposits payable				
Interest payable		\$329	583	387
Advances from other funds (Note 4B)				
Total Liabilities		329	4,372	666
FUND BALANCE				
Nonspendable		80,205		
Restricted		75,459	185,964	
Assigned				
Unassigned	\$21			(666)
Total Fund Balances	21	155,664	185,964	(666)
Total Liabilities and Fund Balances	\$21	\$155,993	\$190,336	

DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS					
2005 Revenue Bonds, Series B Debt Service Fund	Brisbane-Guadalupe Valley Municipal Improvement District Public Financing Authority	Special Beautification Project	Facilities Construction	South Hill	Park Development	Total Nonmajor Governmental Funds	
\$2	\$31		\$3,418,363	\$297,337	\$300,000	\$5,610,563	
			10,363	901		220,186	
						37,183	
						1,055	
						18,652	
						80,205	
<u>\$2</u>	<u>\$31</u>		<u>\$3,428,726</u>	<u>\$298,238</u>	<u>\$300,000</u>	<u>\$5,967,844</u>	
\$264	\$2,995	\$2,605				\$40,216	
1	1,158		\$11,018			5,554	
					\$300,000	96,891	
						12,619	
						4,652	
						300,000	
<u>265</u>	<u>4,153</u>	<u>2,605</u>	<u>11,018</u>		<u>300,000</u>	<u>459,932</u>	
						80,205	
			3,417,708	\$298,238		1,681,390	
(263)	(4,122)	(2,605)				3,813,327	
						(67,010)	
<u>(263)</u>	<u>(4,122)</u>	<u>(2,605)</u>	<u>3,417,708</u>	<u>298,238</u>		<u>5,507,912</u>	
<u>\$2</u>	<u>\$31</u>		<u>\$3,428,726</u>	<u>\$298,238</u>	<u>\$300,000</u>	<u>\$5,967,844</u>	

CITY OF BRISBANE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS			
	Gas Tax	Measure A	Sierra Point Landscape & Lighting	Grants
GOVERNMENTAL REVENUES				
Taxes and special assessments		\$188,445	\$588,360	
Intergovernmental	\$97,272			\$135,086
Licenses, permits and fees				
Charges for services				
Use of money and property	(1,214)	(1,890)	1,336	1,721
Other revenues				
Total Revenues	96,058	186,555	589,696	136,807
EXPENDITURES				
Current:				
Public works			388,558	
Capital outlay	309,268	625,142		16,787
Debt service:				
Principal			8,144	
Interest and fiscal charges				
Total Expenditures	309,268	625,142	396,702	16,787
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(213,210)	(438,587)	192,994	120,020
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out			(3,531)	(126,870)
Total Other Financing Sources (Uses)			(3,531)	(126,870)
NET CHANGES IN FUND BALANCES	(213,210)	(438,587)	189,463	(6,850)
BEGINNING FUND BALANCES (DEFICITS)	159,683	648,019	140,897	79,012
ENDING FUND BALANCES (DEFICITS)	(\$53,527)	\$209,432	\$330,360	\$72,162

SPECIAL REVENUE FUNDS					DEBT SERVICE FUNDS
NPDES	Fire Training	Contract Employees	Public Arts	Tree Plant	2006 Pension Obligation Bonds
\$50,753					
994					
(1,614)	\$4	\$413	\$47,617	\$24	(\$3,479)
		219,482	449	1,500	
50,133	4	219,895	48,066	1,524	(3,479)
471,666		174,523			
					545,000
					94,020
471,666		174,523			639,020
(421,533)	4	45,372	48,066	1,524	(642,499)
565,239					636,650
(8,296)					
556,943					636,650
135,410	4	45,372	48,066	1,524	(5,849)
402,526	3,219	102,798	163,475	3,000	1
\$537,936	\$3,223	\$148,170	\$211,541	\$4,524	(\$5,848)

(Continued)

CITY OF BRISBANE
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

DEBT SERVICE FUNDS

	2001 Revenue Bonds, Series B	2005 Revenue Bonds, Series A	2009 Revenue Lease Bonds, Series A	2013 Pension Side Fund Bonds
GOVERNMENTAL REVENUES				
Taxes and special assessments				
Intergovernmental				
Licenses, permits and fees				
Charges for services				
Use of money and property	\$21	(\$529)	(\$678)	(\$666)
Other revenues				
Total Revenues	<u>21</u>	<u>(529)</u>	<u>(678)</u>	<u>(666)</u>
EXPENDITURES				
Current:				
Public works				
Capital outlay				
Debt service:				
Principal		100,020	95,000	70,000
Interest and fiscal charges		8,135	96,870	57,451
Total Expenditures		<u>108,155</u>	<u>191,870</u>	<u>127,451</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>21</u>	<u>(108,684)</u>	<u>(192,548)</u>	<u>(128,117)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		108,155	188,500	127,451
Transfers out				
Total Other Financing Sources (Uses)		<u>108,155</u>	<u>188,500</u>	<u>127,451</u>
NET CHANGES IN FUND BALANCES	<u>21</u>	<u>(529)</u>	<u>(4,048)</u>	<u>(666)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>156,193</u>	<u>190,012</u>	
ENDING FUND BALANCES (DEFICITS)	<u>\$21</u>	<u>\$155,664</u>	<u>\$185,964</u>	<u>(\$666)</u>

DEBT SERVICE FUNDS		CAPITAL PROJECT FUNDS				
2005 Revenue Bonds, Series B Debt Service Fund	Brisbane- Guadalupe Valley Municipal Improvement District Public Financing Authority	Special Beautification Project	Facilities Construction	South Hill	Park Development	Total Nonmajor Governmental Funds
						\$827,558
						232,358
						994
						47,617
(1)	(1,965)	\$10	\$4,175	\$363		(3,520)
						220,982
(1)	(1,965)	10	4,175	363		1,325,989
						1,034,747
						951,197
262	205,000					1,023,164
	176,100					432,838
262	381,100					3,441,946
(263)	(383,065)	10	4,175	363		(2,115,957)
	378,930					2,004,925
						(138,697)
	378,930					1,866,228
(263)	(4,135)	10	4,175	363		(249,729)
	13	(2,615)	3,413,533	297,875		5,757,641
(\$263)	(\$4,122)	(\$2,605)	\$3,417,708	\$298,238		\$5,507,912

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, 2017

	SPECIAL REVENUE FUNDS					
	GAS TAX			MEASURE A		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
GOVERNMENTAL REVENUES						
Taxes and special assessments				\$170,000	\$188,445	\$18,445
Intergovernmental	\$98,700	\$97,272	(\$1,428)			
Licenses, permits and fees						
Charges for services						
Use of money and property		(1,214)	(1,214)		(1,890)	(1,890)
Other revenues						
Total Revenues	<u>98,700</u>	<u>96,058</u>	<u>(2,642)</u>	<u>170,000</u>	<u>186,555</u>	<u>16,555</u>
EXPENDITURES						
Current:						
Public works						
Capital outlay		309,268	(309,268)		625,142	(625,142)
Debt service:						
Principal						
Interest and fiscal charges						
Total Expenditures		<u>309,268</u>	<u>(309,268)</u>		<u>625,142</u>	<u>(625,142)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>98,700</u>	<u>(213,210)</u>	<u>(311,910)</u>	<u>170,000</u>	<u>(438,587)</u>	<u>(608,587)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
NET CHANGES IN FUND BALANCES	<u>\$98,700</u>	<u>(213,210)</u>	<u>(\$311,910)</u>	<u>\$170,000</u>	<u>(438,587)</u>	<u>(\$608,587)</u>
BEGINNING FUND BALANCES (DEFICITS)		<u>159,683</u>			<u>648,019</u>	
ENDING FUND BALANCES (DEFICITS)		<u>(\$53,527)</u>			<u>\$209,432</u>	

SPECIAL REVENUE FUNDS

SIERRA POINT LANDSCAPING & LIGHTING			GRANTS			NPDES		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$590,000	\$588,360	(\$1,640)	\$100,000	\$135,086	\$35,086	\$52,000	\$50,753	(\$1,247)
						22,000	994	(22,000)
	1,336	1,336		1,721	1,721		(1,614)	(1,614)
<u>590,000</u>	<u>589,696</u>	<u>(304)</u>	<u>100,000</u>	<u>136,807</u>	<u>36,807</u>	<u>74,000</u>	<u>50,133</u>	<u>(23,867)</u>
566,663	388,558	178,105		16,787	(16,787)	641,669	471,666	170,003
	8,144	(8,144)						
<u>566,663</u>	<u>396,702</u>	<u>169,961</u>		<u>16,787</u>	<u>(16,787)</u>	<u>641,669</u>	<u>471,666</u>	<u>170,003</u>
23,337	192,994	169,657	100,000	120,020	20,020	(567,669)	(421,533)	146,136
	(3,531)	(3,531)		(126,870)	(126,870)	565,239	565,239	(8,296)
	(3,531)	(3,531)		(126,870)	(126,870)	565,239	556,943	(8,296)
<u>\$23,337</u>	<u>189,463</u>	<u>\$166,126</u>	<u>\$100,000</u>	<u>(6,850)</u>	<u>(\$106,850)</u>	<u>(\$2,430)</u>	<u>135,410</u>	<u>\$137,840</u>
	<u>140,897</u>			<u>79,012</u>			<u>402,526</u>	
	<u>\$330,360</u>			<u>\$72,162</u>			<u>\$537,936</u>	

(Continued)

CITY OF BRISBANE
 BUDGETED NON-MAJOR FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2017

	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS		
	PUBLIC ARTS FUND			2006 PENSION OBLIGATION BONDS		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
GOVERNMENTAL REVENUES						
Taxes and special assessments						
Intergovernmental						
Licenses, permits and fees						
Charges for services		\$47,617	\$47,617			
Use of money and property		449	449		(\$3,479)	(\$3,479)
Other revenues						
Total Revenues		48,066	48,066		(3,479)	(3,479)
EXPENDITURES						
Current:						
Public works						
Capital outlay						
Debt service:						
Principal				\$545,000	545,000	
Interest and fiscal charges				92,900	94,020	(1,120)
Total Expenditures				637,900	639,020	(1,120)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		48,066	48,066	(637,900)	(642,499)	(4,599)
OTHER FINANCING SOURCES (USES)						
Transfers in				637,900	636,650	(1,250)
Transfers out						
Total Other Financing Sources (Uses)				637,900	636,650	(1,250)
NET CHANGE IN FUND BALANCES		48,066	\$48,066	(5,849)	(5,849)	(5,849)
BEGINNING FUND BALANCES (DEFICITS)		163,475			1	
ENDING FUND BALANCES (DEFICITS)		\$211,541			(\$5,848)	

DEBT SERVICE FUNDS

2001 REVENUE BONDS, SERIES B			2005 REVENUE BONDS, SERIES A			2009 LEASE REVENUE BONDS, SERIES A		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$21	\$21		(\$529)	(\$529)		(\$678)	(\$678)
	21	21		(529)	(529)		(678)	(678)
			\$100,020	100,020		\$95,000	95,000	
			8,135	8,135		95,700	96,870	(1,170)
			108,155	108,155		190,700	191,870	(1,170)
	21	21	(108,155)	(108,684)	(529)	(190,700)	(192,548)	(1,848)
			108,155	108,155		190,700	188,500	(2,200)
			108,155	108,155		190,700	188,500	(2,200)
	21	\$21		(529)	(\$529)		(4,048)	(\$4,048)
				156,193			190,012	
	\$21			\$155,664			\$185,964	

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INTERNAL SERVICE FUNDS

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

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

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

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

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

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

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

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

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

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

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

CITY OF BRISBANE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2017

	Dental Self-Insurance	Fringe Benefits	Flexible Benefits	General Liability
ASSETS				
Current Assets:				
Cash and investments		\$204,171		\$400,609
Restricted cash and investments				
Accounts receivable, net			\$2,977	
Interest receivable		619		1,215
				<u>1,215</u>
Total Assets		<u>204,790</u>	<u>2,977</u>	<u>401,824</u>
LIABILITIES				
Current Liabilities:				
Accounts payable and accrued liabilities	\$18,269	128,981	\$2,894	7,330
Due to other funds	3,817		1,751	
Accrued payroll		60,134		
Interest payable	113			
Accrued claims payable				5,518
				<u>5,518</u>
Total Current Liabilities	<u>22,199</u>	<u>189,115</u>	<u>4,645</u>	<u>12,848</u>
Noncurrent Liabilities:				
Accrued self-insurance				14,302
				<u>14,302</u>
Total Liabilities	<u>22,199</u>	<u>189,115</u>	<u>4,645</u>	<u>27,150</u>
NET POSITION				
Unrestricted	<u>(22,199)</u>	<u>15,675</u>	<u>(1,668)</u>	<u>374,674</u>
Total Net Position (Deficits)	<u><u>(\$22,199)</u></u>	<u><u>\$15,675</u></u>	<u><u>(\$1,668)</u></u>	<u><u>\$374,674</u></u>

<u>Workers' Compensation</u>	<u>OPEB Fund</u>	<u>Vehicle Replacement Fund</u>	<u>Facilities Maintenance</u>	<u>Total</u>
\$579,510	\$507,239	\$1,309,201	\$550,658	\$3,551,388
80,999				80,999
			911	3,888
<u>1,757</u>	<u>1,538</u>	<u>3,427</u>		<u>8,556</u>
<u>662,266</u>	<u>508,777</u>	<u>1,312,628</u>	<u>551,569</u>	<u>3,644,831</u>
7,872		16,435	48,798	230,579
				5,568
566				60,700
				113
<u>281,070</u>				<u>286,588</u>
<u>289,508</u>		<u>16,435</u>	<u>48,798</u>	<u>583,548</u>
<u>759,930</u>				<u>774,232</u>
<u>1,049,438</u>		<u>16,435</u>	<u>48,798</u>	<u>1,357,780</u>
<u>(387,172)</u>	<u>508,777</u>	<u>1,296,193</u>	<u>502,771</u>	<u>2,287,051</u>
<u>(\$387,172)</u>	<u>\$508,777</u>	<u>\$1,296,193</u>	<u>\$502,771</u>	<u>\$2,287,051</u>

CITY OF BRISBANE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Dental Self-Insurance</u>	<u>Fringe Benefits</u>	<u>Flexible Benefits</u>	<u>General Liability</u>
OPERATING REVENUES				
Charges for sales and services	\$83,125			\$321,523
Other revenue				
Total Operating Revenues	<u>83,125</u>			<u>321,523</u>
OPERATING EXPENSES				
Cost of sales and services				
General and administrative	127,641			361,344
Other expenses				
Total Operating Expenses	<u>127,641</u>			<u>361,344</u>
Operating Income (Loss)	<u>(44,516)</u>			<u>(39,821)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	(298)	\$746	\$6	1,642
Total Nonoperating Revenues (Expenses)	<u>(298)</u>	<u>746</u>	<u>6</u>	<u>1,642</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(44,814)</u>	<u>746</u>	<u>6</u>	<u>(38,179)</u>
Transfers in				
Transfers				
Change in Net Position	(44,814)	746	6	(38,179)
BEGINNING NET POSITION (DEFICIT)	<u>22,615</u>	<u>14,929</u>	<u>(1,674)</u>	<u>412,853</u>
ENDING NET POSITION (DEFICIT)	<u><u>(\$22,199)</u></u>	<u><u>\$15,675</u></u>	<u><u>(\$1,668)</u></u>	<u><u>\$374,674</u></u>

Workers' Compensation	OPEB Fund	Vehicle Replacement Fund	Facilities Maintenance	Total
\$545,118				\$949,766
37,044			\$1,569	38,613
582,162			1,569	988,379
	\$17,982			17,982
388,508				877,493
	251,659	\$426,424	48,798	726,881
388,508	269,641	426,424	48,798	1,622,356
193,654	(269,641)	(426,424)	(47,229)	(633,977)
2,422	691	100		5,309
2,422	691	100		5,309
196,076	(268,950)	(426,324)	(47,229)	(628,668)
	276,001	178,846	\$250,000	704,847
	276,001	178,846	250,000	704,847
196,076	7,051	(247,478)	202,771	76,179
(583,248)	501,726	1,543,671	300,000	2,210,872
(\$387,172)	\$508,777	\$1,296,193	\$502,771	\$2,287,051

CITY OF BRISBANE
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2017

	Dental Self-Insurance	Fringe Benefits	Flexible Benefits	General Liability
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received to/ from customers	\$83,125	\$124,183	(\$2,977)	\$326,026
Cash payments to suppliers	(112,399)		2,894	(38,651)
Cash received from other funds				
Cash Flows from Operating Activities	(29,274)	124,183	(83)	287,375
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Due to other funds receipts	3,817		43	
Transfers in				
Cash Flows from Noncapital Financing Activities	3,817		43	
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest paid	(264)			
Interest income		234	40	578
Cash Flows from Investing Activities	(264)	234	40	578
Net Cash Flows	(25,721)	124,417		287,953
Cash and investments at beginning of period	25,721	79,754		112,656
Cash and investments at end of period		\$204,171		\$400,609
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	(\$44,516)			(\$39,821)
Adjustments to reconcile operating income to net cash flows from operating activities:				
Accounts receivable			(\$2,977)	
Other assets				321,004
Accounts payable and accrued liabilities	15,242	\$128,981	2,894	4,503
Accrued payroll		(4798)		
Accrued claims payable				1,689
Cash Flows from Operating Activities	(29,274)	124,183	(83)	287,375

Workers' Compensation	OPEB Fund	Replacement Vehicle Fund	Facilities Maintenance	Total
\$545,118		(\$64,851)	\$47,887	\$1,058,511
(129,804)	(\$257,762)	(426,424)	(48,798)	(1,010,944)
37,610			1,569	39,179
<u>452,924</u>	<u>(257,762)</u>	<u>(491,275)</u>	<u>658</u>	<u>86,746</u>
				3,860
	276,001	178,846	250,000	704,847
	276,001	178,846	250,000	708,707
	(193)	(1,387)		(1,844)
866				1,718
<u>866</u>	<u>(193)</u>	<u>(1,387)</u>		<u>(126)</u>
453,790	18,046	(313,816)	250,658	795,327
206,719	489,193	1,623,017	300,000	2,837,060
<u>\$660,509</u>	<u>\$507,239</u>	<u>\$1,309,201</u>	<u>\$550,658</u>	<u>\$3,632,387</u>
\$193,654	(\$269,641)	(\$426,424)	(\$47,229)	(\$633,977)
			(911)	(3,888)
286,364	11,879			619,247
(22,660)		(64,851)	48,798	112,907
566				(4,232)
(5,000)				(3,311)
<u>\$452,924</u>	<u>(\$257,762)</u>	<u>(\$491,275)</u>	<u>\$658</u>	<u>\$86,746</u>

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FIDUCIARY FUNDS

AGENCY FUNDS included the following funds:

SAMCAT

Developer Deposits

Other Agency Funds

Northeast Ridge Assessment District 2001 Bonds Fund

Peninsula Corridor Electrification

CITY OF BRISBANE
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>SAMCAT</u>				
Assets				
Cash and investments	\$4,498		\$4,498	
	<u>\$4,498</u>		<u>\$4,498</u>	
Liabilities				
Deposits	\$4,498		\$4,498	
Total Liabilities	<u>\$4,498</u>		<u>\$4,498</u>	
<u>Developer Deposits</u>				
Assets				
Cash and investments	\$633,407	\$274,875		\$908,282
Accounts receivable				
Interest receivable	310		\$310	
Total Assets	<u>\$633,717</u>	<u>\$274,875</u>	<u>\$310</u>	<u>\$908,282</u>
Liabilities				
Accounts payable	\$5,200	\$450,319	\$455,519	
Deposits	628,517	279,765		\$908,282
Total Liabilities	<u>\$633,717</u>	<u>\$730,084</u>	<u>\$455,519</u>	<u>\$908,282</u>
<u>Other Agency Funds</u>				
Assets				
Cash and investments	\$7,827		\$211	\$7,616
Interest receivable	10		4	6
Total Assets	<u>\$7,837</u>		<u>\$215</u>	<u>\$7,622</u>
Liabilities				
Accounts payable	\$367			\$367
Deposits	7,470		\$215	7,255
Total Liabilities	<u>\$7,837</u>		<u>\$215</u>	<u>\$7,622</u>

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>Northeast Ridge Assessment District 2001 Bonds</u>				
Assets				
Cash and investments	\$581,991	\$6,400		\$588,391
Cash and investment with fiscal agent	250,053	402		250,455
Interest receivable	335	1,449		1,784
Taxes receivable	9,967		\$9,967	
Total Assets	\$842,346	\$8,251	\$9,967	\$840,630
Liabilities				
Due to bondholders	\$842,346	\$8,251	\$9,967	\$840,630
Total Liabilities	\$842,346	\$8,251	\$9,967	\$840,630
	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017
<u>Peninsula Corridor Electrification Project</u>				
Assets				
Cash and investments		\$25,055		\$25,055
Interest receivable		1,784		1,784
Total Assets		\$26,839		\$26,839
Liabilities				
Due to bondholders		\$26,839		\$26,839
Total Liabilities		\$26,839		\$26,839
<u>TOTAL - ALL AGENCY FUNDS</u>				
Assets				
Cash and investments	\$1,227,723	\$306,330	\$4,709	\$1,529,344
Cash and investment with fiscal agent	250,053	402		250,455
Interest receivable	655	3,233	314	3,574
Taxes receivable	9,967		9,967	
Total Assets	\$1,488,398	\$309,965	\$14,990	\$1,783,373
Liabilities				
Accounts payable	\$5,567	\$450,319	\$455,519	\$367
Deposits	640,485	279,765	4,713	915,537
Due to bondholders	842,346	35,090	9,967	867,469
Total Liabilities	\$1,488,398	\$765,174	\$470,199	\$1,783,373

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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, 2017, and have issued our report thereon dated March 23, 2018. Our report included an emphasis of a matter paragraph disclosing the implementation of new accounting principles.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control we consider to be significant deficiencies as listed on the Schedule of Significant Deficiencies included as part of our separately issued Memorandum on Internal Control dated March 23, 2018, which is an integral part of our audit and should be read in conjunction with this report.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and is listed as finding FS2017-03 in our separately issued Memorandum on Internal Control March 23, 2018 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 March 23, 2018, which is an integral part of our audits and should be read in conjunction with this report. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Maze & Associates

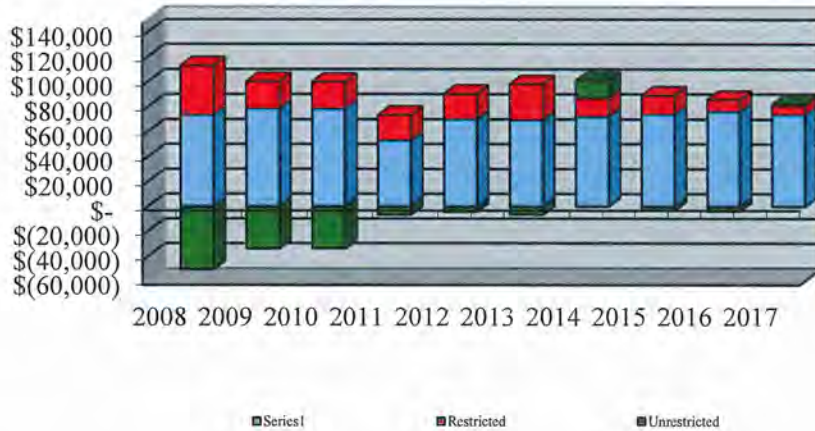
Pleasant Hill, California
March 23, 2018

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	126-131
<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	133-138
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.</i>	
Debt Capacity	139-144
<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	145-149
<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	150-153
<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>	

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



	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Invested in capital assets, net of related debt	\$39,936	\$45,825	\$46,213	\$20,781	\$38,064	\$37,751	\$46,027	\$47,358	\$47,876	\$44,304
Restricted	33,872	19,027	18,943	19,399	19,006	26,255	12,292	12,698	6,934	6,373
Unrestricted	(45,940)	(32,518)	(32,380)	(6,786)	(5,156)	(7,609)	10,882	(5,099)	(3,507)	945
Total governmental activities net position	<u>\$27,868</u>	<u>\$32,334</u>	<u>\$32,776</u>	<u>\$33,394</u>	<u>\$51,914</u>	<u>\$56,397</u>	<u>\$69,201</u>	<u>\$54,957</u>	<u>\$51,303</u>	<u>\$51,622</u>
Business-type activities										
Invested in capital assets, net of related debt	\$33,696	\$32,894	\$32,500	\$32,503	\$32,305	\$31,832	\$26,368	\$26,815	\$28,599	\$29,708
Restricted	5,476	2,601	2,252	848	847	2,251	2,251	2,251	2,251	759
Unrestricted	(4,478)	(1,455)	(1,542)	201	964	1,105	3,037	2,092	(161)	170
Total business-type activities net position	<u>\$34,694</u>	<u>\$34,040</u>	<u>\$33,210</u>	<u>\$33,552</u>	<u>\$34,116</u>	<u>\$35,188</u>	<u>\$31,656</u>	<u>\$31,158</u>	<u>\$30,689</u>	<u>\$30,637</u>
Primary government										
Invested in capital assets, net of related debt	\$73,632	\$78,720	\$78,713	\$53,284	\$70,369	\$69,583	\$72,395	\$74,173	\$76,475	\$74,012
Restricted	39,348	21,628	21,194	20,247	19,853	28,506	14,543	14,949	9,185	7,132
Unrestricted	(50,419)	(33,973)	(33,922)	(6,585)	(4,192)	(6,504)	13,919	(3,007)	(3,668)	1,115
Total primary government net position	<u>\$62,561</u>	<u>\$66,375</u>	<u>\$65,985</u>	<u>\$66,946</u>	<u>\$86,030</u>	<u>\$91,585</u>	<u>\$100,857</u>	<u>\$86,115</u>	<u>\$81,992</u>	<u>\$82,259</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities:										
General Government	\$4,396	\$4,768	\$4,636	\$4,279	\$5,123	\$5,584	\$4,485	\$4,195	\$5,357	\$5,718
Public Safety - police	3,412	3,626	3,506	3,185	2,931	3,282	3,314	3,918	4,189	4,758
Public Safety - fire	2,368	2,452	2,532	2,560	2,756	3,004	2,528	2,602	2,782	2,812
Public Works	3,287	3,298	4,928	3,160	1,901	2,832	3,378	3,684	3,542	3,734
Parks and Recreation	-	-	-	-	-	-	1,802	1,955	2,023	2,338
Interest on Long-Term Debt (Unallocated)	2,689	2,513	2,519	2,431	2,879	2,009	1,245	999	647	433
Total Governmental Activities Expenses	16,152	16,657	18,121	15,615	15,590	16,711	16,752	17,353	18,540	19,793
Business-Type Activities:										
Utility	3,884	3,949	4,023	4,053	3,824	4,542	4,344	4,656	5,654	5,442
Marina	3,274	3,638	3,406	3,426	3,342	3,313	1,438 A	1,623 A	1,808	1,940
Total Business-Type Activities Expenses	7,158	7,587	7,429	7,479	7,166	7,855	5,782	6,279	7,462	7,382
Total Primary Government Expenses	\$23,310	\$24,244	\$25,550	\$23,094	\$22,756	\$24,566	\$22,534	\$23,632	\$26,002	\$27,175
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$2,338	\$2,849	\$1,189	\$2,343	\$2,122	\$1,665	\$3,803	\$4,635	\$5,226	\$5,319
Public Safety - police	231	214	396	127	107	124	151	54	60	52
Public Safety - fire	179	147	204	137	113	119	128	179	275	315
Public Works	2,483	2,630	3,820	2,478	2,928	2,088	3,252	3,115	1,120	1,408
Parks and Recreation	-	-	-	-	-	-	506	526	571	597
Operating Grants and Contributions	313	309	219	598	132	91	88	117	158	209
Capital Grants and Contributions	2,808	2,561	-	39	490	3,083	1,396	930	352	152
Total Government Activities Program Revenues	8,352	8,710	5,828	5,722	5,892	7,170	9,324	9,556	7,762	8,052
Business-Type Activities:										
Charges for Services:										
Utility	4,362	4,053	3,911	3,978	4,247	5,622	5,466	5,764	5,276	5,717
Parks and Recreation	1,917	2,069	1,966	1,995	2,155	2,388	1,614 A	1,529 A	1,652	1,705
Capital Grants and Contributions	-	-	-	-	102	-	-	-	-	456
Total Business-Type Activities Program Revenue	6,279	6,122	5,877	5,973	6,504	8,010	7,080	7,293	6,928	7,878
Total Primary Government Program Revenues	\$14,631	\$14,832	\$11,705	\$11,695	\$12,396	\$15,180	\$16,404	\$16,849	\$14,690	\$15,930
Net (Expense)/Revenue										
Governmental Activities	(7,800)	(7,947)	(12,293)	(9,893)	(9,698)	(9,541)	(7,428)	(7,797)	(10,778)	(11,741)
Business-Type Activities	(879)	(1,465)	(1,552)	(1,506)	(662)	155	1,298	1,014	(534)	496
Total Primary Government Net Expense	(\$8,679)	(\$9,412)	(\$13,845)	(\$11,399)	(\$10,360)	(\$9,386)	(\$6,130)	(\$6,783)	(\$11,312)	(\$11,245)

(continued)

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

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Revenues and Other Changes in Net Assets										
Governmental Activities:										
Taxes:										
Property Taxes	\$6,592	\$7,054	\$7,387	\$6,336	\$4,950	\$3,518	\$2,816	\$3,162	\$3,258	\$3,342
Sales Taxes	8,810	4,699	4,600	2,842	4,495	2,863	2,529	3,333	3,843	4,408
Motor Vehicle In-Lieu	17	13	9	13	2	2	-	-	-	-
Transient Occupancy Tax	1,318	1,156	1,357	1,306	1,560	1,668	2,038	2,447	2,786	2,768
Business License Tax	-	-	-	-	-	2,898	-	-	-	-
Other Taxes	-	-	-	458	494	2,055	649	909	1,056	1,423
Developer Contributions	-	-	-	170	-	-	-	-	-	-
Interest Earnings	883	426	242	98	1,587	1,516	947	-	182	100
Miscellaneous	42	64	81	8	75	337	335	-	48	14
Gain (Loss) on Sale of Assets	-	-	-	-	-	-	-	-	-	-
Transfers, net	(789)	(999)	(915)	(745)	(1,008)	(834)	4,914	681	54	5
Extraordinary Item	-	-	-	-	16,063	-	-	-	-	-
Contribution from Successor Agency	-	-	-	-	-	-	2,512	-	-	-
Special Item: Gain on Early Retirement of Debt	-	-	-	-	-	-	3,491	-	-	-
Special Item: Successor Agency Loan Write-off	-	-	-	-	-	-	-	-	(4,099)	-
Total Government Activities	<u>16,873</u>	<u>12,413</u>	<u>12,761</u>	<u>10,486</u>	<u>28,218</u>	<u>14,023</u>	<u>20,231</u>	<u>10,532</u>	<u>7,128</u>	<u>12,060</u>
Business-Type Activities:										
Other Taxes	30	31	28	29	30	33	30	30	30	30
Interest Earnings	(271)	(219)	(138)	94	3	51	55	51	88	(574)
Miscellaneous	1	-	-	-	-	-	-	-	-	-
Developer Contribution	-	-	-	862	-	-	-	-	-	-
Intergovernmental	-	-	-	33	185	-	-	-	-	-
Transfers and Other	789	999	915	745	1,008	834	(4,914)	(681)	(54)	(5)
Total Business-Type Activities	<u>549</u>	<u>811</u>	<u>805</u>	<u>1,763</u>	<u>1,226</u>	<u>918</u>	<u>(4,829)</u>	<u>(600)</u>	<u>64</u>	<u>(549)</u>
Total Primary Government	<u>\$17,422</u>	<u>\$13,224</u>	<u>\$13,566</u>	<u>\$12,249</u>	<u>\$29,444</u>	<u>\$14,941</u>	<u>\$15,402</u>	<u>\$9,932</u>	<u>\$7,192</u>	<u>\$11,511</u>
Change in Net Position										
Governmental Activities	9,073	4,466	468	593	18,520	4,482	12,803	2,735	(3,650)	319
Business-Type Activities	(330)	(654)	(747)	257	564	1,073	(3,531)	414	(470)	(53)
Total Primary Government	<u>\$8,743</u>	<u>\$3,812</u>	<u>(\$279)</u>	<u>\$850</u>	<u>\$19,084</u>	<u>\$5,555</u>	<u>\$9,272</u>	<u>\$3,149</u>	<u>(\$4,120)</u>	<u>\$266</u>

(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)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund										
Reserved	\$6,480	\$4,089	\$3,157							
Unreserved	559	2,151	3,941							
Nonspendable	-	-	-	\$2,636	\$2,630	\$3,475	\$3,384	\$3,291	\$3,315	\$2,594
Restricted										107
Assigned	-	-	-	436	141	192	274	295	221	253
Unassigned	-	-	-	4,526	6,756	7,388	8,484	8,957	7,745	8,702
Total General Fund	\$7,039	\$6,240	\$7,098	\$7,598	\$9,527	\$11,055	\$12,142	\$12,543	\$11,281	\$11,656
All other governmental funds										
Reserved	\$34,032	\$27,985	\$28,469							
Unreserved, reported in:										
Special revenue funds	(449)	(320)	(28)							
Debt service funds	1,117	1,745	1,063							
Redevelopment Agency	(16,375)	(14,642)	(14,102)							
Capital Projects funds	(10,414)	(6,797)	(6,831)							
Nonspendable									\$154	\$80
Restricted	-	-	-	\$31,985	\$23,827	\$24,306	\$9,428	\$9,658	3,965	3,861
Assigned	-	-	-	199	670	1,703	2,982	3,666	3,762	3,813
Unassigned	-	-	-	(9,952)	(1,034)	(207)	(312)	(488)	(561)	(1,331)
Total all other governmental funds	\$7,911	\$7,971	\$8,570	\$22,232	\$23,463	\$25,802	\$12,098	\$12,836	\$7,320	\$6,423

Source: City of Brisbane Comprehensive Annual Financial Report

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

	2008	2009	2010	2011
Revenues				
Taxes and special assessments	\$13,836	\$14,143	\$15,941	\$12,546
Intergovernmental	2,620	1,837	989	43
Licenses, permits, and fees	742	817	1,285	708
Charges for services	277	227	335	185
Fines and forfeitures	114	91	89	627
Use of money and property	863	381	284	231
Other revenues	2,744	3,771	2,739	2,534
Total Revenues	21,196	21,267	21,662	16,874
Expenditures				
Current:				
General government	4,224	3,866	3,561	3,335
Public safety-police	3,338	3,264	3,165	2,839
Public safety-fire	2,365	2,424	2,409	2,379
Public works	2,905	3,000	4,553	2,421
Parks and recreation	-	-	-	-
Library	25	29	24	670
Capital outlay	6,853	6,136	992	1,195
Debt service:				
Principal repayment	1,715	1,810	2,055	2,670
Interest and fiscal charges	2,616	2,520	2,543	2,436
Bond issuance cost	-	87	-	-
Total Expenditures	24,041	23,136	19,302	17,945
Excess (deficiency) of revenues over (under) expenditures	(2,845)	(1,869)	2,360	(1,071)
Other Financing Sources (Uses)				
Premium on refunding bonds issued	-	-	-	-
Proceeds from sale of property/assets	-	-	-	-
Proceeds from long-term debt	-	2,255	-	-
Discount paid on issuance of debt	-	(63)	-	-
General Fund advance	-	-	-	-
Transfer in	3,882	10,043	3,317	3,591
Transfer out	(4,476)	(11,104)	(4,221)	(4,542)
Extraordinary item	-	-	-	-
Special item	-	-	-	-
Total other financing sources (uses)	(594)	1,131	(904)	(951)
Net change in fund balances	(\$3,439)	(\$738)	\$1,456	(\$2,022)
Debt service as a percentage of noncapital expenditures	25.2%	26.0%	25.1%	30.5%

(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.

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$12,659	\$9,607	\$9,501	\$11,258	\$11,400	\$12,069
26	1,120	360	665	420	651
1,201	3,429	4,162	3,978	3,234	4,312
398	233	2,579	2,090	2,158	2,507
797	58	60	40	51	48
1,741	1,587	1,026	255	269	156
2,469	3,924	452	1,390	735	552
<u>19,291</u>	<u>19,958</u>	<u>18,140</u>	<u>19,676</u>	<u>18,267</u>	<u>20,295</u>
3,492	3,998	3,570	3,780	4,472	4,647
2,699	2,950	3,038	3,611	4,071	4,390
2,485	2,314	2,247	2,300	2,586	2,402
1,290	2,776	2,473	2,748	2,896	2,972
-	-	1,630 A	1,775	1,821	2,139
979	25	27	28	28	-
2,883	1,499	1,083	1,232	838	2,085
2,324	2,567	16,135	6,938	2,546	1,036
2,913	2,012	1,347	1,036	686	446
-	-	-	-	-	-
<u>19,065</u>	<u>18,141</u>	<u>31,550</u>	<u>23,448</u>	<u>19,944</u>	<u>20,117</u>
<u>226</u>	<u>1,817</u>	<u>(13,410)</u>	<u>(3,772)</u>	<u>(1,677)</u>	<u>178</u>
-	1,486	1,004	88	-	-
-	-	-	292	-	-
-	1,611	63	5,470	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,110	1,809	1,672	7,800	2,369	2,131
(3,081)	(2,856)	(1,946)	(8,740)	(3,371)	(2,831)
2,904	-	-	-	-	-
-	-	-	-	(4,099)	-
<u>2,933</u>	<u>2,050</u>	<u>793</u>	<u>4,910</u>	<u>(5,101)</u>	<u>(700)</u>
<u>\$3,159</u>	<u>\$3,867</u>	<u>(\$12,617)</u>	<u>\$1,138</u>	<u>(\$6,778)</u>	<u>(\$522)</u>
32.4%	27.5%	57.4%	35.9%	16.9%	8.2%

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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	Gas Tax	Franchise Tax	Transfer Tax	TOT Tax	Business License Tax	Total
2008	\$6,529	\$8,957 ²	\$74	\$221	\$45	\$1,097	\$367	\$17,293
2009	7,019	4,813	69	214	18	942	450	13,524
2010	7,371	5,833	71	202	23	969	465	14,934
2011	6,450	2,978	109	213	32	1,306	734	11,821
2012	3,749	4,637	127	216	35	1,560	607	10,931
2013	3,051	3,029	105	199	47	1,668	2,898	10,998
2014	2,725	2,701	144	334	76	2,038	2,792	10,810
2015	3,163	3,333	118	531	68	2,447	2,746	12,406
2016	3,183	3,843	108	708	75	2,786	2,580	13,283
2017	3,294	4,597	97	737	48	2,768	3,135	14,676

¹ Property Tax Includes Prior Taxes, Supplemental Taxes, Property Tax/VLF swap, ERAF and Property Tax from RDA
Gas tax shown in CAFR as intergovernment, and Business License Tax as Licenses and Permits.
Sales tax includes Measure A sales tax, Public Safety Sales Tax, General Sales Taxes and Sales Tax/Property Tax Swap

² One time Sales Tax correction

Source: City of Brisbane

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	
2008	\$1,364,983	\$233,517	\$10,447	\$1,588,053
2009	1,453,275	239,986	13,192	1,680,069
2010	1,436,460	261,715	12,483	1,685,692
2011	1,384,590	266,187	12,556	1,638,221
2012	1,374,563	220,162	10,864	1,583,861
2013	1,381,723	205,631	10,867	1,576,487
2014	1,408,674	184,241	12,208	1,580,706
2015	1,516,681	180,385	10,908	1,686,157
2016	1,624,974	187,517	12,258	1,800,233
2017	1,718,428	185,541	11,374	1,892,596

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

Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
\$377,630	\$81,589	\$119	\$459,100	\$1.0756
418,379	81,359	136	499,602	1.0719
431,382	110,057	65	541,374	1.0783
397,968	111,647	147	509,468	1.0870
378,850	63,986	79	442,756	1.0893
				1.0921
				1.1048
				1.0991
				1.0830

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	
2008	1.0000	0.0224	0.0361	0.0171	1.0756
2009	1.0000	0.0221	0.0333	0.0165	1.0719
2010	1.0000	0.0241	0.0360	0.0182	1.0783
2011	1.0000	0.0261	0.0416	0.0193	1.0870
2012	1.0000	0.0272	0.0422	0.0199	1.0893
2013	1.0000	0.0297	0.0430	0.0194	1.0921
2014	1.0000	0.0280	0.0574	0.0194	1.1048
2015	1.0000	0.0271	0.0530	0.0190	1.0991
2016	1.0000	0.0247	0.0583	0.0250	1.1080
2017	1.0000	0.0235	0.0800	0.0247	1.1282

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	2017			2008		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value ¹	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value ²
Oyster Point Properties Inc.	\$108,642	1	6.33%	\$95,993	1	7.05%
DCT Valley Dr CA LLP	66,303	2	3.86%	67,654	2	4.97%
IAC San Francisco LLC	48,150	3	2.80%	53,558	4	3.93%
2000 Sierra Point Parkway LLC	44,683	4	2.60%	39,480	6	2.90%
Slough Brisbane LLC	44,161	5	2.57%	20,787	9	1.53%
C.A. (and William D.) Spencer Trust	42,074	6	2.45%	19,418	10	1.43%
Summit Hospitality 114 LLC	41,102	7	2.39%			
Fund VIII 1000 Marina LLC	32,733	8	1.91%			
Diamond Marina LLC	31,927	9	1.86%			
BMR Bayshore Blvd LLC	25,333	10	1.48%	39,862	5	2.93%
BRE SH Brisbane Owner LLC	20,805	11	1.21%			
Tuntex Properties Inc	19,399	12	1.13%	17,140	12	1.26%
Marina Boulevard Property LLC	18,640	13	1.09%			
Western B Northwest CA LLC	14,000	14	0.82%			
Barulich Properties LLC	13,656	15	0.80%	12,066	15	0.89%
M & L Associates	13,345	16	0.78%			
WVP Bay Tech LLC	12,639	17	0.74%			
Rolling Frito-Lay Sales	12,233	18	0.71%	11,959	16	0.88%
SFPP	11,854	19	0.69%	10,474	17	0.77%
AVJOG Investments LLC	10,624	20	0.62%			
Broadway 8000 Marina Fee LLC				54,876	3	4.03%
SRI Seven Marina LLC				32,436	7	2.38%
Brisbane Lodging LP				25,113	8	1.84%
CPI Sage Hotels Brisbane Owner LLC				19,000	11	1.39%
1000 Marina LLC				15,606	13	1.15%
IAC 325 Valley LLC				13,362	14	0.98%
150 Spear Street Associates				10,223	18	0.75%
Brookfield Northeast Ridge II LLC				8,924	19	0.66%
DLC Brisbane				8,728	20	0.64%
Total	\$632,302		36.82%	\$576,659		42.34%

Source:

2017 - CA Municipal Statistics

2008 - County Assessor's Roll

⁽¹⁾ 2016-2017 Local Secured Assessed Valuation: \$1,717,396

⁽²⁾ Based on Fiscal Year 2007-08 total assessed valuation: \$1,362,110

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
2008	\$6,671	\$6,671	100%	n/a	\$6,671	100%
2009	7,188	7,188	100%	n/a	7,188	100%
2010	7,751	7,751	100%	n/a	7,751	100%
2011	6,896	6,896	100%	n/a	6,896	100%
2012	2,545 ²	2,545	100%	n/a	2,545	100%
2013	2,991	2,991	100%	n/a	2,991	100%
2014	2,673	2,673	100%	n/a	2,673	100%
2015	2,838	2,838	100%	n/a	2,838	100%
2016	3,010	3,010	100%	n/a	3,010	100%
2017	3,015	3,015	100%	n/a	3,015	100%

¹ Teeter Plan

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

Source: City of Brisbane

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			
2008	\$39,115	\$0	\$4,335	\$4,080	\$158	\$47,688	n/a	\$12,351
2009	39,715	-	4,180	3,980	136	48,011	n/a	12,195
2010	37,910	-	3,930	3,880	113	45,833	n/a	11,478
2011	35,855	13,165	3,630	3,775	90	56,515	n/a	13,198
2012	31,368	-	3,295	3,660	68	38,391	n/a	8,889
2013	29,272	-	4,536	3,590	45	37,443	n/a	8,635
2014	10,237	-	4,086	3,474	22	17,818	n/a	4,064
2015	9,274	-	3,581	12,484	-	25,339	n/a	5,580
2016	7,230	-	3,021	12,314	-	22,565	n/a	4,867
2017	6,815	-	2,406	11,890	-	21,111	n/a	4,471

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
2008	\$12,950	\$723	\$12,227	0.77%	3166.80%
2009	14,825	885	13,940	0.83%	3540.64%
2010	14,270	850	13,420	0.80%	3360.86%
2011	13,505	656	12,849	0.78%	3000.81%
2012	12,695	658	12,037	0.76%	2786.92%
2013	12,489	472	12,017	0.76%	2771.37%
2014	11,706	357	11,350	0.72%	2588.85%
2015	11,084 ³	307	10,777	0.64%	2373.37%
2016	10,139	236	9,903	0.55%	2135.94%
2017	9,124	220	8,904	0.47%	1885.72%

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 Pension Obligation Bonds

³ Restated

City of Brisbane
Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
(amounts expressed in thousands)

	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
San Mateo Community College District	\$611,812,998	0.991%	\$6,063,067
Jefferson Union High School District	180,406,091	10.345%	18,663,010
Bayshore School District	9,145,000	22.173%	2,027,721
Brisbane School District	5,820,437	65.349%	3,803,597
City of Brisbane 1915 Act Bonds	2,035,000	100.000%	2,035,000
Total Gross Overlapping Tax and Assessment Debt			32,592,395
Direct and Overlapping General Fund Debt:			
San Mateo County General Fund Obligations	\$399,389,816	0.991%	3,957,953
San Mateo County Board of Education Certificates of Participation	9,330,000	0.991%	92,460
Jefferson Union High School District General Fund Obligations	1,279,477	10.345%	132,362
City of Brisbane General Fund Obligations	6,615,000	100.000%	6,615,000
City of Brisbane Pension Obligations Bonds	2,406,000	100.000%	2,406,000
Total Direct and Overlapping General Fund Debt			13,203,775
Overlapping Tax Increment Debt (Successor Agency):			
Tax Allocation Bonds	\$13,305,000	100.000%	13,305,000
Revenue Bonds	206,646	100.000%	206,646
			13,511,646
Total Direct Debt			\$9,021,000
Total Overlapping Debt			\$50,286,816
Combined Total Debt			\$59,307,816 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		
	2008	2009	2010
Debt Limit	\$44,433	\$63,251	\$63,682
Total net debt applicable to limit	12,800	13,940	13,420
Legal debt margin	\$31,633	\$49,311	\$50,262
Total net debt applicable to the limit as a percentage of debt limit	28.81%	22.04%	21.07%

Legal Debt Margin Calculation for Fiscal Year 2017:

Assessed value ¹	1,184,868	1,686,698	1,698,175
Add back: exempt real property ¹	-	-	-
Total assessed value ¹	1,184,868	1,686,698	1,698,175
Debt limit (3.75% of total assessed value)	44,433	63,251	63,682
Debt applicable to limit:			
General bonded debt	12,950	14,825	14,270
Less: Amount set aside for repayment of general bonded debt	150	885	850
Total net debt applicable to limit	12,800	13,940	13,420
Legal debt margin	31,633	49,311	50,262

Note: Under state finance law, the City of Brisbane's 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						
2011	2012	2013	2014	2015	2016	2017
\$61,904	\$59,802	\$59,526	\$59,474	\$63,551	\$67,829	\$71,289
12,849	12,037	12,017	11,350	10,777	9,903	8,904
\$49,055	\$47,765	\$47,509	\$48,124	\$52,774	\$57,926	\$62,384
20.76%	20.13%	20.19%	19.08%	16.96%	14.60%	12.49%
1,650,778	1,594,725	1,587,354	1,585,973	1,694,694	1,808,762	1,901,034
-	-	-	-	-	-	-
1,650,778	1,594,725	1,587,354	1,585,973	1,694,694	1,808,762	1,901,034
61,904	59,802	59,526	59,474	63,551	67,829	71,289
13,505	12,695	12,489	11,706	11,084	10,139	9,124
656	658	472	357	307	236	220
12,849	12,037	12,017	11,350	10,777	9,903	8,904
49,055	47,765	47,509	48,124	52,774	57,926	62,384

City of Brisbane
Pledged Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

Utility Revenue Bonds							
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage %
				Principal	Interest	Total	
2014-2015 A	\$5,539	\$3,886	\$1,653	\$ -	\$ -	\$ -	
2015-2016	5,353	4,590	763	170	241	411	185.75%
2016-2017	5,754	4,832	921	305	319	624	147.57%

(A) In fiscal year 2015, the City issued 2015 Utility Revenue Bonds. Therefore, only three years of information is presented. Fiscal Year 2014-2015 was corrected to reflect there were no payments due in the year of issuance.

Installment Sales Agreement							
Fiscal Year	Gross Revenues	Less: Operating Expenses	Net Available Revenue	Debt Service Requirements			Coverage %
				Principal	Interest	Total	
2014-2015 A	\$1,546	\$1,488	\$58	\$ -	\$ -	\$ -	
2015-2016	1,693	1,647	46	-	118	118	38.99%
2016-2017	1,699	1,798	(99)	119	129	248	-39.93%

(A) In fiscal year 2015, the City entered into a 2015 Installment Sale Agreement. Therefore, only three years of information is presented. Fiscal Year 2014-2015 was corrected to reflect there were no payments due in the first year. Principal payments commence in the third year.

City of Brisbane
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population ³	Personal Income (in millions) ²	Per Capita Personal Income ²	Labor Force ¹	Unemployment Rate ¹
2008	3,861	49,417	70,211	373,000	4.8%
2009	3,937	46,681	65,414	374,100	8.4%
2010	3,993	47,947	66,629	374,900	8.8%
2011	4,282 ⁴	50,597	69,577	383,300	7.9%
2012	4,319	58,666	79,420	388,500	7.1%
2013	4,336	59,710	79,893	397,500	5.4%
2014	4,384	n/a	48,278	403,600	5.4%
2015	4,541	74,641	97,553	431,300	4.2%
2016	4,636	n/a	n/a	442,000	3.4%
2017	4,722	n/a	n/a	447,900	2.9%

Notes:

¹ Source: State of California Employment Development Department, San Mateo County

² Source: California Labor Market Info for San Mateo County. Data not available for 2014, 2016 and 2017

³ Source: California Department of Finance

⁴ 2010 U.S. Census

**City of Brisbane
Principal Employers
Current Year and Ten Years Ago**

Employer	2017 ¹			2008 ²		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Covenant Aviation Security LLC	1100	1	12.67%			
Expeditors Intl of WA Inc	311	2	3.58%	223	7	3.19%
Bi-Rite Foodservice Distributors	300	3	3.45%	264	6	3.77%
Ebay Inc	230	4	2.65%			
Cutera Inc	215	5	2.48%			
F.W. Spencer	200	6	2.30%			
RealReal Inc The	172	7	1.98%			
Greenleaf	150	8	1.73%			
Leemah Electronics Inc	150	8	1.73%			
Fong Brothers Printing	150	8	1.73%	190	10	2.72%
Vox Network Solutions Inc	150	8	1.73%			
SFO Apparel	140	12	1.61%			
Novitex Enterprise Solutions	138	13	1.59%			
Stella & Dot LLC	131	14	1.51%			
Caredx	112	15	1.29%			
Bebe	102	16	1.17%	198	9	2.83%
Ultragenyx Pharmaceutical Inc	100	17	1.15%			
Lincoln Broadcasting Co	100	17	1.15%	120	14	1.72%
Sunset Scavenger Co/Recology				350	2	5.00%
Monster Cable Products Inc		n/a		557	1	7.96%
IGN Entertainment Inc				305	3	4.36%
Vaxgen Inc				295	4	4.22%
VWR Corporation				272	5	3.89%
Collab.net Inc				208	8	2.97%
Shopping.com (California) Inc				175	11	2.50%
Intermune				126	12	1.80%
PSI Group - California				123	13	1.76%
Glam Media Inc				108	15	1.54%
Purcell-Murray Company Inc				105	16	1.50%
EGL Eagle Global Logistics LP				105	16	1.50%
Total Employment (Est.)	8,685			6,995		

Source:

¹ Muniservices, LLC (City of Brisbane Business License process partner)

² City of Brisbane Business License data (self reporting)

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City of Brisbane
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years

	June 30			
	2008	2009	2010	2011
Function:				
General government	13.01	14.01	13.55	11.25
Public safety:				
Police	20.61	20.61	17.99	15.11
Fire	13.00	13.00	10.00	10.00
Public works and Municipal Utilities	22.50	22.50	23.00	16.00
Community development	5.90	5.90	5.90	4.90
Parks and recreation	19.20	19.20	12.05	11.55
Marina	6.25	6.25	12.15	12.15
Total	100.47	101.47	94.64	80.96

Source: City of Brisbane Base Budget

June 30					
2012	2013	2014	2015	2016	2017
10.89	10.79	11.65	12.05	12.55	12.55
15.11	14.11	15.11	17.11	18.11	19.11
10.00	10.00	10.00	10.00	10.00	10.00
16.00	16.10	14.00	15.00	17.00	17.00
4.40	3.80	3.90	5.40	5.40	5.00
12.80	12.80	18.83	18.83	19.83	19.58
12.76	11.78	5.75	7.25	7.25	7.25
<u>81.96</u>	<u>79.38</u>	<u>79.24</u>	<u>85.64</u>	<u>90.14</u>	<u>90.49</u>

City of Brisbane
Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year		
	2008	2009	2010
Police			
Response time to :			
Extreme Emergencies	4:22	4:26	4:26
Emergencies	3:51	4:12	3:48
Non-Emergencies	6:16	6:14	5:50
Number of victims per 1,000 citizens or business	30	30	30
Fire			
Number of calls answered	653	618	663
Number of inspections	533	471	449
Public Works:			
Percent of tripping hazards corrected within 1 month	100	100	100
Percent of damaged street signs replaced within 1 month	100	100	100
Percent of facilities maintained relative to Maintenance Program	100	100	100
Number of Building and Park Maintenance service requests received			
Number of Graffiti on Public Property requests for service			
Number of Sidewalk Maintenance/Trip Hazard service requests			
Number of Street Tree service requests			
Number of Street-Sign/Light/Traffic Signal service requests			
Number of Weeds, Trash and Debris on Public Property service requests			
Water			
Total Water Purchased		302,631 ccf	276,478ccf
Number of main breaks and repairs		1	2
Number of service breaks (public side of meter) and repairs		7	1
Percentage of water samples that pass health standards	100	100	100
Percentage of water storage tanks cleaned and inspected	100	100	100
Percentage of reported broken water meters replaced	100	100	100
Percentage of backup emergency generators inspected and tested at critical water facilities		100	100
Percentage of known water main valves exercised		100	100
Sewer			
Average Daily sewage flow (thousands of gallons)	352	334	340
Total annual sewage flow			
Number of public sewer main blocks/breaks			15
Number of private lateral blocks/breaks that City responds to			
Percentage of public sewer blockages cleared within:			
4 hours	100	100	100
12 hours	100	100	100
Community Development:			
Total permit valuation (\$000)	15,513	6,613	9,890
Parks and Recreation:			
Community/Special Events (Concerts in the Park, Festival of Lights, etc.) number of events	4	9	6
Sports Programs (e.g. basketball, softball): number of sports			
Youth	13	12	13
Adult	2	2	3
Classes: (number of programs)			
Adult	8	7	11
Youth	3	2	4
Youth & Adult	4	2	separated
Child Care programs (Average Enrollment):			
Preschool	16	17	20
Afterschool	44	63	64
Day Camps (Average Enrollment)	56	60	67
Spring			
Summer			
Winter			
Teen Programs (number of programs)	7	9	7
Aquatic programs (Enrollment/attendance):			
Summer swim lessons	909	812	778
Water aerobics	65	29	9 / day
Senior Center (Enrollment/attendance)	198		37 / week
Programs			8
All programs		73	64
Rentals			
Community Center			
Mission Blue			
Community Park			
Fields			

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

Fiscal Year						
2011	2012	2013	2014	2015	2016	2017
3:07	3:31	4:12	4:53	4:33	4:31	5:02
6:28	3:37	3:57	4:04	4:25	4:11	4:06
9:07	6:10	6:25	4:52	6:06	5:18	6:16
33	32	33	30	31	31	34
619	667	670	706	713	751	698
558	423	429	493	382	378	413
100						
100	77	141	140	166	146	168
100	1	3	6	12	7	6
	5	13	10	14	14	25
	21	32	37	38	70	42
	30	49	29	82	94	97
	20	43	42	66	78	93
275,884ccf	280,650ccf	287,290 ccf	302,776 ccf	279,815 ccf	257,414 ccf	294,756 ccf
1	3	2	4	2	0	1
3	9	2	6	2	3	3
100	100	100	100	100	97	99
100	100	100	0	0	100	0
100	100	100	100	100	100	100
100	100	100	100	100	100	100
100	58	27	50	44	28	20
356	326	319	303	346	379	475
173,925ccf	159,052ccf	155,534ccf	147,836 ccf	168,651 ccf	185,044 ccf	231,544 ccf
10	12	3	3	3	4	3
			18	25	15	4
100	100	100	95	100	100	75
100	100	100	95	100	100	75
5,424	9,101	18,459	19,083	16,811	22,222	12,066
6	6	6	11	17	26	27
13	14	14	19	10	10	10
3	3	3	3	2	2	1
10	12	8	8	10	10	11
7	5	8	11	4	7	7
20	20	20	20	20	25	25
66	69	82	101	103	101	85
60						
	33	35	39	35	36	32
	56	45	45	50	44	46
	27	23	25	24	29	31
5	9	0	0	4	3	3
780	579	611	466	551	514	518
7 / day	6 / day	10 / day	10 / day		11 / day	13 / day
37 / week	38 / week	37 / week	37 / week	55 / week	46 / week	44 / week
7	7	6	6	6	5	7
64	61	53	66			
				15	17	21
				37	26	16
				146	135	113
				5	8	10

City of Brisbane
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2008	2009	2010	2011	2012
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	790	790	790
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 acreage ¹	184.68	184.68	184.68	184.68	184.68
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				
2013	2014	2015	2016	2017
1	1	1	1	1
5	5	5	5	5
1	1	1	1	1
3	3	3	3	3
23	23	23	23	23
790	790	791	791	791
80,712	80,712	80,712	80,712	80,712
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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