This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED JULY 29, 2026

NEW ISSUE – FULL BOOK-ENTRY | **RATING: S&P: "AAA"** **See "RATING"**

In the opinion of Jones Hall LLP, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS."

$34,850,000*
CITY OF SAN BRUNO
(County of San Mateo, California)
2026 General Obligation Bonds

Dated: **Date of Delivery** | **Due**: **September 1, as shown on inside cover**

Cover Page. This cover page contains information for quick reference only. It is not a summary of all the provisions of the Bonds. Investors must read the entire official statement to obtain information essential to making an informed investment decision.

Authority and Purpose. The above-captioned general obligation bonds (the "Bonds") are being issued by the City of San Bruno (the "City"), which is located in San Mateo County, California (the "County"), pursuant to certain provisions of the California Government Code, and an authorizing resolution of the City Council of the City (the "City Council") adopted on July 14, 2026. The Bonds were authorized at an election of the registered voters of the City held on November 5, 2024, which authorized the issuance of general obligation bonds for the purpose of repairing deteriorating storm-drains, preventing failure, flooding, water pollution/ sinkholes; repairing potholes and city streets; upgrading fire stations, improving emergency response, accommodate modern firefighting/ lifesaving emergency medical equipment, function during earthquakes and natural disasters. See "THE BONDS – Authority for Issuance" and "THE FINANCING PLAN" herein.

Security. The Bonds are general obligations of the City, payable from ad valorem property taxes levied by the City and collected by the County. The City Council is empowered and is obligated to annually levy ad valorem taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the City, without limitation of rate or amount (except certain personal property that is taxable at limited rates). See "SECURITY FOR THE BONDS."

Book-Entry Only. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See APPENDIX E for additional information about the book-entry only system.

Payments. Interest on the Bonds accrues from the date of delivery and is payable semiannually on March 1 and September 1 of each year, commencing March 1, 2027, by check, draft or wire mailed to the person in whose name the Bond is registered. Payments of principal and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as paying agent for the Bonds (the "Paying Agent"), to DTC for subsequent disbursement to participants in DTC ("DTC Participants") who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Description of the Bonds."

Redemption. The Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity as described herein. See discussion of redemption under the heading "THE BONDS."

BIDS FOR THE PURCHASE OF THE BONDS WILL BE RECEIVED BY THE CITY UNTIL 8:15 A.M. PACIFIC TIME ON AUGUST 4, 2026 UNLESS POSTPONED OR CANCELLED AS SET FORTH IN THE OFFICIAL NOTICE OF SALE

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Jones Hall LLP, as Bond Counsel. Certain legal matters will also be passed upon for the City by Jones Hall LLP, as Disclosure Counsel, and by the City Attorney. It is anticipated that the Bonds in definitive form will be available for delivery to Cede & Co., as nominee of The Depository Trust Company, on or about August 20, 2026.

The date of this Official Statement is _______, 2026.

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* Preliminary; subject to change.

MATURITY SCHEDULE

$34,850,000*
CITY OF SAN BRUNO
(County of San Mateo, California)
2026 General Obligation Bonds

(Base CUSIP†: _____)

Maturity Date (September 1)	Principal Amount*	Interest Rate	Yield	Price	CUSIP† No.
2028	$2,000,000				
2029	2,325,000				
2030	560,000				
2031	585,000				
2032	615,000				
2033	645,000				
2034	680,000				
2035	715,000				
2036	750,000				
2037	785,000				
2038	825,000				
2039	865,000				
2040	910,000				
2041	955,000				
2042	1,005,000				
2043	1,055,000				
2044	1,105,000				
2045	1,160,000				
2046	1,220,000				
2047	1,280,000				
2048	1,345,000				
2049	1,410,000				
2050	1,480,000				
2051	1,555,000				
2052	1,630,000				
2053	1,715,000				
2054	1,800,000				
2055	1,890,000				
2056	1,985,000				

**Preliminary; subject to change.*

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright (c) 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. Neither the City nor its agents or counsel take any responsibility for the accuracy of such numbers.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Deemed Final. The Preliminary Official Statement has been deemed final by the City for purposes of Rule 15c2-12 promulgated under the Securities Exchange Act of 1934, as amended, except for information permitted to be omitted therefrom by Rule 15c2-12.

Use of Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract between any bond owner and the City or the Underwriter. This Official Statement and the information contained herein are subject to completion or amendment without notice.

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the City or the Underwriter to give any information or to make any representations relating to the Bonds other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Estimates and Projections. When used in this Official Statement and in any continuing disclosure by the City, in any press release and in any oral statement made with the approval of an authorized officer of the City, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the City and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness by the City.

Involvement of Underwriter. The Underwriter (as defined in "COMPETITIVE SALE OF BONDS") has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

Stabilization of Prices. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, give rise to any implication that there has been no change in the affairs of the City, or the other parties described in this Official Statement, or the condition of the property within the City since the date of this Official Statement.

Website. The City maintains a website; however, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

CITY OF SAN BRUNO
(COUNTY OF SAN MATEO, CALIFORNIA)

MEMBERS OF THE CITY COUNCIL

Rico E. Medina, *Mayor*
Sandy Alvarez, *Vice Mayor*
Tom Hamilton, *Councilmember*
Marty Medina, *Councilmember*
Michael Salazar, *Councilmember*

CITY OFFICIALS AND STAFF

Alex McIntyre, *City Manager*
Joseph Toney, *Assistant City Manager*
Nick Pegueros, *Administrative Services Director*
Lupita Huerta, *City Clerk*
Trisha Ortiz of Richards, Watson & Gershon, *City Attorney*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Fieldman Rolapp & Associates, Inc.
San Francisco, California

BOND AND DISCLOSURE COUNSEL

Jones Hall LLP
San Mateo, California

BOND REGISTRAR, TRANSFER AGENT, AND PAYING AGENT

U.S. Bank Trust Company, National Association
Los Angeles, California

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OFFICIAL STATEMENT

$34,850,000*
CITY OF SAN BRUNO
(County of San Mateo, California)
2026 General Obligation Bonds

INTRODUCTION

This Official Statement, which includes the cover page and appendices hereto, provides information in connection with the sale and delivery of the above-captioned bonds (the "**Bonds**").

This Introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement to make an informed investment decision. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The City

The City of San Bruno (the "**City**") is located on the San Francisco Peninsula in the County of San Mateo (the "**County**") in the State of California (the "**State**"), approximately 12 miles south of San Francisco, 14 miles north of Redwood City (the County seat), and immediately adjacent to the San Francisco International Airport. The City covers a total land area of 5.5 square miles, located between the cities of South San Francisco and Millbrae, and immediately adjacent to the San Francisco International Airport and Golden Gate National Cemetery. San Bruno serves as a major transportation center, with immediate access to major interstate freeways, including US 101, I-280 and I-380; and commuter rail lines, such as Caltrain and Bay Area Rapid Transit (BART). San Bruno is adjacent to San Francisco International Airport, which can be accessed using BART or US 101. However, the other major San Francisco Bay Area airports (Oakland and San Jose) are accessible from San Bruno via BART, for the former, and Caltrain plus Santa Clara Valley Transportation Authority (VTA) services, for the latter. The community has more than 12,000 homes and residences of all types and serves a population of approximately 42,631.

The City is a general law city and operates under the Council-City Manager form of government. The City Council is the governing body of the City, and has the power to make and enforce all laws and set all policy related to municipal affairs. For more statistical and demographic information regarding the City and the County, as well as certain City financial information, see APPENDIX A and APPENDIX B.

* Preliminary; subject to change.

Sources of Payment for the Bonds

The Bonds are general obligations of the City payable solely from *ad valorem* property taxes levied by the City and collected by the County. The City Council is empowered and obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the City, without limitation of rate or amount (except with respect to certain personal property that is taxable at limited rates). See "SECURITY FOR THE BONDS" and "PROPERTY TAXATION."

Purpose for Issuance

The Bonds are being issued to provide funds for approximately $35 million of funds for City road improvement projects authorized by Measure Q (described herein), as well as pay costs of issuance for the Bonds. See "THE FINANCING PLAN."

Authority for Issuance

The Bonds are being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 (the "**Bond Law**"), and a resolution adopted by the City Council of the City on July 14, 2026 (the "**Bond Resolution**"). The Bonds were authorized by the voters in the City pursuant to "Measure Q," which was approved by the 2/3-required vote on November 5, 2024. See "THE BONDS – Authority for Issuance."

Description of the Bonds

Generally. The Bonds mature in the years and in the amounts as set forth on the inside cover page of this Official Statement. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "THE BONDS – Description of the Bonds" and APPENDIX E.

Redemption**.** The Bonds are subject to optional and sinking-fund redemption prior to maturity as described under the heading, "THE BONDS – Redemption."

Legal Matters

Issuance of the Bonds is subject to the approving opinion of Jones Hall LLP, as bond counsel ("**Bond Counsel**"), to be delivered in substantially the form attached as APPENDIX C. Jones Hall LLP is also serving as disclosure counsel to the City ("**Disclosure Counsel**"). Certain legal matters will also be passed upon for the City by the City Attorney.

Tax Matters

In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS" for additional information, and APPENDIX C for the form of Bond Counsel's opinion to be delivered concurrently with the Bonds.

Continuing Disclosure

The City has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. The form of the Continuing Disclosure Certificate is included in APPENDIX D. See also "CONTINUING DISCLOSURE."

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the City of San Bruno City Clerk, 567 EL Camino Real, San Bruno, California 94066. The City may impose a charge for copying, mailing and handling.

This Official Statement is not to be construed as a contract between any Bond owner and the City or the Underwriter. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each of such documents, statutes and constitutional provisions.

The information set forth herein has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the City. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

THE FINANCING PLAN

Bond Measure and Purpose of Issue

The net proceeds of the Bonds will be used to finance the projects approved by more than the requisite two-thirds of City voters that voted at an election held in the City on November 5, 2024 (the "**Bond Election**"). The abbreviated form of the ballot measure, labeled Measure Q (the "**Bond Measure**"), is set forth below:

> *"Shall City of San Bruno measure be adopted to repair deteriorating storm-drains, preventing failure, flooding, water pollution/ sinkholes; repair potholes/ city streets; upgrade fire stations, improving emergency response, accommodate modern firefighting/ lifesaving emergency medical equipment, function during earthquakes/ natural disasters; authorizing $102,000,000 in bonds, at a tax rate of 3¢ per $100 of assessed value, while bonds are outstanding, initially generating $3,300,000 annually, without funds for administrators/ cannot be taken by the State of California, with citizen oversight/ independent audits?"*

The Bonds will be the first of three anticipated series of general obligation bonds issued by the City pursuant to the authority received at the Bond Election.

The net proceeds of the Bonds, in the amount of approximately $35 million, are anticipated to fund road improvement projects within the City that are currently programmed into the City's pavement management program for Fiscal Year 2026-27 and Fiscal Year 2027-28. Funds may also be used for the preliminary design of a new fire station or other authorized purposes.

Estimated Sources and Uses of Funds

The estimated sources and uses of funds with respect to the Bonds are as follows:

<u>Sources of Funds</u>	
Principal Amount of Bonds	$
Plus: [Net] Original Issue Premium	
Total Sources	$
<u>Uses of Funds</u>	
Deposit to Project Fund	$
Deposit to Debt Service Fund(1)	
Costs of Issuance(2)	
Total Uses	$

(1) To fund capitalized interest on the Bonds through September 1, 2028.

(2) Includes all estimated costs of issuance including, but not limited to, underwriter's discount, printing costs, and fees of bond counsel, disclosure counsel, the municipal advisor, the paying agent and rating agency.

THE BONDS

Authority for Issuance

The Bonds are issued under the Bond Law and other applicable law. The City authorized the issuance of the Bonds pursuant to the Bond Resolution. The City received authorization at the Bond Election to issue $102,000,000 of general obligation bonds to finance the projects described in the Bond Measure, of which the Bonds represent the first series.

Description of the Bonds

Book-Entry Form. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("**DTC**"). Purchasers of the Bonds (the "**Beneficial Owners**") will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of prepayment or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the prepayment of the Bonds called for prepayment or of any other action premised on such notice.

The Paying Agent, the City, and the Underwriter have no responsibility or liability for any aspects of the records relating to or payments made on account of beneficial ownership, or for maintaining, supervising or reviewing any records relating to beneficial ownership, of interests in the Bonds. See APPENDIX E for additional information.

Interest. Interest on the Bonds is payable semiannually on March 1 and September 1 of each year (the "**Interest Payment Dates**"), commencing March 1, 2027. Interest on the Bonds will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Interest on the Bonds is payable from the Interest Payment Date next preceding the date of authentication thereof unless: (i) a Bond is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, (ii) a Bond is authenticated prior to an Interest Payment Date and after the close of business on the 15th day of the month preceding the Interest Payment Date (each, a "**Record Date**"), in which event it will bear interest from such Interest Payment Date, (iii) a Bond is authenticated on or before the first Record Date, in which event it shall bear interest from the Closing Date, or (iv) at the time of authentication of a Bond, interest is in default thereon, in which event it will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

Denominations and Maturity. The Bonds shall be issued in the denomination of $5,000 each or any integral multiple of $5,000. The Bonds mature on September 1 in the years and amounts set forth on the inside cover page hereof. See the maturity schedule on the inside cover page hereof and "DEBT SERVICE SCHEDULE" herein.

Payment

Interest on the Bonds (including the final interest payment upon maturity) is payable by check of the Paying Agent mailed to the owner thereof at such owner's address as it appears on the Registration Books (as defined below) at the close of business on the preceding Record Date, except that at the written request of the Owner of at least $1,000,000 aggregate principal amount of the Bonds, which written request is on file with the Paying Agent as of any Record Date, interest on such Bonds shall be paid by wire transfer on the succeeding Interest Payment Date to an account in the United States of America as shall be specified in such written request.

Principal of and redemption premium (if any) on the Bonds is payable in lawful money of the United States of America upon presentation and surrender at the principal office of the Paying Agent.

Redemption*

Optional Redemption. The Bonds maturing on or before September 1, 20__, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after September 1, 20__, are subject to redemption prior to maturity, at the option of the City, in whole or in part among maturities on such basis as designated by the City and by lot within a maturity, from any available source of funds, on September 1, 20__, and on any date thereafter, at a redemption price equal to 100% of the principal amount of Bonds to be redeemed together with accrued interest thereon to the date fixed for redemption, without redemption premium.

Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20__ and September 1, 20__ (the "**Term Bonds**") are subject to redemption prior to their stated maturity date, without a redemption premium, in part by lot, from mandatory sinking fund payments on each September 1, in the principal amounts as set forth in the following tables:

$_______ Term Bond Due September 1, 20__

Payment Date (September 1)	Payment Amount
(Maturity)	

$_______ Term Bond Due September 1, 20__

Payment Date (September 1)	Payment Amount
(Maturity)	

If some but not all of the Term Bonds have been optionally redeemed, the aggregate principal amount of Term Bonds to be subject to Mandatory Sinking Fund Redemption in each

* Preliminary; subject to change.

year will be reduced on a pro rata basis in integral multiples of $5,000, as designated in written notice filed by the City with the Paying Agent.

Redemption Procedure; Right to Rescind. The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, (i) to DTC and the Municipal Securities Rulemaking Board, and (ii) to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Registration Books (as defined below) maintained by the Paying Agent. Such mailing will not be a condition precedent to such redemption and failure to mail or to receive any such notice will not affect the validity of the proceedings for the redemption of such Bonds.

The City is entitled to send a redemption notice that declares that the redemption is conditional upon the availability of moneys to accomplish the redemption, and the City may rescind any notice of optional redemption of the Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption, and the Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under this section. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption. The City and the Paying Agent have no liability to the owners of the Bonds (the "Owners") or any other party related to or arising from such rescission.

A redemption notice will state the redemption date and the redemption price and, if less than all of the then Outstanding Bonds are to be called for redemption, will designate the CUSIP numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and will require that such Bonds be then surrendered at the principal office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Partial Redemption. Upon surrender of Bonds redeemed in part only, the City will execute and the Paying Agent will authenticate and deliver to the owner, at the expense of the City, a new Bond or Bonds, of the same maturity, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond or Bonds.

Effect of Redemption. From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest (and redemption premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds so called will cease to be entitled to any benefit under the Bond Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in such notice.

Registration, Transfer and Exchange of Bonds

Registration Books. The Paying Agent will keep or cause to be kept sufficient books for the registration and transfer of the Bonds (the "**Registration Books**"), which will at all times be open to inspection by the City upon reasonable notice; and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said books, the Bonds.

Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the principal office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. The City may charge a reasonable sum for each new Bond issued upon any transfer.

Whenever any Bond or Bonds are surrendered for transfer, the City will execute and the Paying Agent will authenticate and deliver a new Bond or Bonds, for like aggregate principal amount of the same maturity and interest rate.

Exchange. Bonds may be exchanged at the principal office of the Paying Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity and interest rate. The City may charge a reasonable sum for each new Bond issued upon any exchange.

Defeasance

The City has the option to pay and discharge the entire indebtedness on all or any portion of the outstanding Bonds in any one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity; or

(ii) Federal Securities (as defined below), the principal of and interest on, which when due, in the opinion of a certified public accountant delivered to the City, will provide money sufficient to pay the principal of and all unpaid interest and redemption premium (if any) to maturity on the Bonds to be paid, as such principal and interest become due.

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

"**Federal Securities**" means United States Treasury notes, bonds, bills or certificates of indebtedness, or any other obligations, the timely payment of which is directly or indirectly guaranteed by the faith and credit of the United States of America.

DEBT SERVICE SCHEDULE

The following table shows the debt service schedule with respect to the Bonds, assuming no optional redemptions. The City does not have any other general obligation bonds outstanding; however, the Bonds represent the first of three planned series of general obligation bonds to be issued pursuant to the authority granted by the Bond Measure.

Bond Year Ending September 1	Principal	Interest(1)	Total Debt Service(1)
Total			

(1) Capitalized interest is being funded through September 1, 2028.

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the City, payable solely from *ad valorem* property taxes levied by the City and collected by the County. The City is empowered and is obligated, and under the Bond Resolution has covenanted, to annually levy ad valorem taxes for the payment of the Bonds and the interest thereon upon all property within the City subject to taxation by the City, without limitation of rate or amount (except certain personal property that is taxable at limited rates).

Levy and Collection; Teeter Plan. The City will levy and the County will collect such *ad valorem* taxes in such amounts and at such times as is necessary to ensure the timely payment of debt service. Such taxes, when collected, will be deposited into a debt service fund for the Bonds, which is maintained by the City and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

City property taxes are assessed and collected by the County in the same manner, at the same time and in the same installments as other ad valorem taxes on real property and will have the same priority, become delinquent at the same times and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the other ad valorem taxes on real property. As described below, the County has adopted a Teeter Plan that will apply to the *ad valorem* property taxes securing the Bonds. See "PROPERTY TAXATION – Alternative Method of Tax Apportionment – Teeter Plan."

Annual Tax Rates. The amount of the annual ad valorem tax levied by the City to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the City and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the City may cause the annual tax rate to fluctuate.

Economic and other factors beyond the City's control, such as economic recession, deflation of land values, a relocation out of the City or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, epidemic, or other natural disaster or event, could cause a reduction in the assessed value within the City and necessitate a corresponding increase in the annual tax rate. See RISK FACTORS" herein.

Debt Service Fund

Pursuant to the Bond Resolution, the City will establish a debt service fund for the Bonds (the "**Debt Service Fund**"), which will be established as a separate fund to be maintained distinct from all other funds of the City. Proceeds of the Bonds used for capitalized interest on the Bonds and all taxes levied by the City pursuant to the Bond Resolution for the payment of the principal of and interest on the Bonds will be deposited in the Debt Service Fund by the City promptly upon receipt. The Debt Service Fund is pledged for the payment of the principal of and interest on the Bonds, when and as the same become due. The City will transfer amounts in the Debt Service Fund, to the extent necessary, to pay the principal of and interest on the Bonds as the same become due and payable, to the Paying Agent, as required to pay the principal of and interest on the Bonds.

If, after payment in full of the Bonds, any amounts remain on deposit in the Debt Service Fund, the City shall transfer such amounts to its General Fund, to be applied solely in a manner that is consistent with the requirements of applicable state and federal tax law.

Limited Obligation

The Bonds are payable solely from the proceeds of an ad valorem tax levied by the City, and collected by the County, for the payment of principal of and interest on the Bonds. Although the County is obligated to collect the ad valorem tax for the payment of the Bonds, the Bonds are not a debt of the County.

Statutory Lien

In accordance with Section 53515 of the California Government Code, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the ad valorem tax. This lien automatically arises without the need for any action or authorization by the City or the City Council, and shall be valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the ad valorem tax shall be immediately subject to the lien, and the lien shall immediately attach to the revenues and be effective, binding, and enforceable against the City, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

PROPERTY TAXATION

Property Tax Collection Procedures

In California, property which is subject to ad valorem taxes is classified as “secured” or “unsecured.” The “secured roll” is that part of the assessment roll containing state assessed public utilities’ property and property, the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities are assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property," a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Assessed Valuation

Assessed Valuation History. The following is a table summarizing the historical assessed valuation of the taxable property in the City since Fiscal Year 2016-17.

Table 1
CITY OF SAN BRUNO
Assessed Valuations of All Taxable Property
Fiscal Years 2016-17 to 2025-26

Fiscal Year	Local Secured	Utility	Unsecured	Total	Percent Change
2016-17	$6,730,259,256	$542,478	$212,376,474	$6,943,178,208	--
2017-18	7,153,754,664	542,478	193,402,416	7,347,699,558	5.83%
2018-19	7,695,841,327	542,478	191,580,394	7,887,964,199	7.35
2019-20	8,213,126,975	167,126	191,613,489	8,404,907,590	6.55
2020-21	8,834,319,948	167,126	144,575,709	8,979,062,783	6.83
2021-22	9,175,120,730	167,126	130,101,776	9,305,389,632	3.63
2022-23	9,856,861,747	167,126	101,307,134	9,958,336,007	7.02
2023-24	10,626,469,102	167,126	107,490,029	10,734,126,257	7.79
2024-25	11,226,097,260	111,001	125,471,218	11,351,679,479	5.75
2025-26	11,755,929,771	111,001	150,971,438	11,907,012,210	4.89

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the land use of parcels in the City, according to assessed valuation for Fiscal Year 2025-26. As shown, the majority of land in the City is used for single-family residential purposes.

Table 2
CITY OF SAN BRUNO
Assessed Valuation and Parcels by Land Use
Fiscal Year 2025-26

Non-Residential:	**2025-26 Assessed Valuation[(1)]**	**% of Total**	**No. of Parcels**	**% of Total**
Commercial/Office	$2,670,687,766	22.72%	422	3.27%
Industrial	164,912,674	1.40	85	0.66
Recreational/Airport	27,933,867	0.24	42	0.33
Government/Social/Institutional	16,454,254	0.14	57	0.44
Miscellaneous	6,270,514	0.05	64	0.50
Subtotal Non-Residential	$2,886,259,075	24.55%	670	5.19%
Residential:				
Single Family Residence	$6,635,747,783	56.45%	9,340	72.41%
Condominium/Townhouse	797,388,769	6.78	2,258	17.51
Hotel/Motel	82,890,548	0.71	13	0.10
2-4 Residential Units	281,611,752	2.40	343	2.66
5+ Residential Units/Apartments	1,019,429,826	8.67	173	1.34
Subtotal Residential	$8,817,068,678	75.00%	12,127	94.02%
Vacant Parcels	$52,602,018	0.45%	101	0.78%
Totals	**$11,755,929,771**	**100.00%**	**12,898**	**100.00%**

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Assessed Valuation of Single-Family Residential Parcels Per Parcel. The following table shows a breakdown of the assessed valuations of improved single-family residential parcels in the City, according to assessed valuation for Fiscal Year 2025-26.

Table 3
CITY OF SAN BRUNO
Per Parcel 2025-26 Assessed Valuation
of Single-Family Homes

	No. of Parcels	2025-26 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	9,340	$6,635,747,783	$710,466	$627,387

2025-26 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	321	3.437%	3.437%	$27,801,614	0.419%	0.419%
$100,000 - $199,999	1,214	12.998	16.435	167,806,365	2.529	2.948
$200,000 - $299,999	631	6.756	23.191	158,384,741	2.387	5.335
$300,000 - $399,999	745	7.976	31.167	261,868,593	3.946	9.281
$400,000 - $499,999	843	9.026	40.193	377,688,305	5.692	14.973
$500,000 - $599,999	735	7.869	48.062	401,276,903	6.047	21.020
$600,000 - $699,999	631	6.756	54.818	410,009,972	6.179	27.199
$700,000 - $799,999	632	6.767	61.585	474,231,546	7.147	34.345
$800,000 - $899,999	550	5.889	67.473	467,416,113	7.044	41.389
$900,000 - $999,999	564	6.039	73.512	534,952,779	8.062	49.451
$1,000,000 - $1,099,999	498	5.332	78.844	522,159,922	7.869	57.320
$1,100,000 - $1,199,999	377	4.036	82.880	432,087,898	6.512	63.831
$1,200,000 - $1,299,999	327	3.501	86.381	408,409,122	6.155	69.986
$1,300,000 - $1,399,999	303	3.244	89.625	408,739,328	6.160	76.146
$1,400,000 - $1,499,999	284	3.041	92.666	409,758,665	6.175	82.321
$1,500,000 - $1,599,999	234	2.505	95.171	361,781,564	5.452	87.773
$1,600,000 - $1,699,999	171	1.831	97.002	281,269,677	4.239	92.011
$1,700,000 - $1,799,999	115	1.231	98.233	200,186,894	3.017	95.028
$1,800,000 - $1,899,999	67	0.717	98.951	123,298,795	1.858	96.886
$1,900,000 - $1,999,999	35	0.375	99.325	68,287,336	1.029	97.915
$2,000,000 and greater	63	0.675	100.000	138,331,651	2.085	100.000
Totals	**9,340**	**100.000%**		**$6,635,747,783**	**100.000%**	

(1) Improved single family residential parcels. Excludes condominiums and parcels with multiple family units.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment – Teeter Plan

The County operates a Teeter Plan whereby taxing entities, including the City, receive 100% of their secured *ad valorem* property tax levy assessed by the County. The Teeter Plan will apply with respect to the *ad valorem* property taxes levied for the Bonds.

The Teeter Plan will remain in effect unless the County orders its discontinuance or unless the County receives a petition for its discontinuance joined in by resolutions adopted by at least two-thirds of the participating revenue districts in the County, in which event the Board of Supervisors of the County shall order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year. Additionally, the County may discontinue the procedures under the Teeter Plan with respect to any political subdivision in the County if the rate of secured property tax delinquency in that political subdivision in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that political subdivision. If the Teeter Plan is discontinued subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the City) for which the County acts as the tax-levying or tax-collecting agency. For further information, please see "APPENDIX A – CERTAIN INFORMATION REGARDING THE CITY OF SAN BRUNO AND COUNTY OF SAN MATEO – CITY FINANCIAL INFORMATION – Property Taxes" herein.

Under the Teeter Plan, the County funds current year delinquencies from certain moneys in its treasury, including, currently, tax payments from prior years' delinquencies. There can be no assurance that the County will continue to utilize the Teeter Plan with respect to the tax levy for the Bonds or for the City. Further, the amounts expected to be available to the County may not be sufficient to fund all delinquencies in current tax levies, in which case the City may not receive the full amount required for the payment of debt service on the Bonds on a timely basis.

Property tax delinquencies may be impacted by economic and other factors beyond the City's control or the control of the County, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the City, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity, including but not limited to as a result of the spread of COVID-19 or other pandemic or natural or manmade disaster.

Pursuant to Revenue and Taxation Code Section 4985.2, the Treasurer-Tax Collector of the respective County may cancel any penalty, costs or other charges resulting from tax delinquency upon a finding that the late payment is due to reasonable cause and circumstances beyond the taxpayer's control, and occurred notwithstanding the exercise of ordinary care in the absence of willful neglect, provided the property taxes are paid within four fiscal years of such taxes coming due.

Appeals of Assessed Value

There are two types of appeals of assessed values that could adversely impact property tax revenues within the City.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the least of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the SBE, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as prevailing conditions in the residential home market) cause the property to be worth less than its current assessed value.

Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

A second type of assessment appeal involves a challenge to the base year value of an assessed property. Appeals for reduction in the base year value of an assessment, if successful, reduce the assessment for the year in which the appeal is taken and prospectively thereafter. The base year is determined by the completion date of new construction or the date of change of ownership. Any base year appeal must be made within four years of the change of ownership or new construction date.

The City cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers. Any reduction in aggregate City assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

Typical Tax Rates

Tax rate areas ("**TRAs**") are specific geographic regions within each county in California where a unique combination of local tax agencies – such as the county, cities, school districts and special districts – have the authority to levy taxes and assessments that appear on the county property tax bill. There are multiple TRAs within the City of San Bruno, each of which will show a slightly different combination of levies. The table below shows typical tax rates within TRA 10-001 within the City for; other TRAs within the City will be slightly different.

Table 4
CITY OF SAN BRUNO
Typical Tax Rate Per $100 Assessed Valuation (TRA 10-001)
Fiscal Year 2021-22 through 2025-26

	2021-22	**2022-23**	**2023-24**	**2024-25**	**2025-26**
General Tax Rate	1.0000	1.0000	1.0000	1.0000	1.0000
San Bruno Park School District	.0388	.0329	.0268	0242	.0231
San Mateo Union High School District	.0488	.0504	.0476	.0445	.0420
San Mateo Community College District	.0227	.0193	.0190	.0178	.0180
Total Tax Rate	**1.1103**	**1.1026**	**1.0934**	**1.0865**	**1.0831**

Source: California Municipal Statistics, Inc.

Major Taxpayers

General. The following table shows the twenty largest property taxpayers in the City as determined by their secured assessed valuations for Fiscal Year 2025-26.

Table 5
CITY OF SAN BRUNO
Largest 2025-26 Local Secured Taxpayers

	Property Owner	Primary Land Use	2025-26 Assessed Valuation	% of Total[(1)]
1.	Google Inc.	Office Building	$1,368,691,582	11.64%
2.	Crystal Springs Terrace Owner LLC	Apartments	195,340,855	1.66
3.	ASN Tanforan Crossing I & II LLC	Apartments	172,545,719	1.47
4.	Walmart Stores Inc.	Office Building	148,329,492	1.26
5.	ARE-San Francisco No. 96 Holding LLC	Shopping Center	143,413,535	1.22
6.	ARE-San Francisco No. 95 Holding LLC	Shopping Center	133,499,966	1.14
7.	ARE-San Francisco No. 94 Holding LLC	Shopping Center	113,041,428	0.96
8.	San Bruno III Financing LP	Apartments	106,363,482	0.90
9.	Benringer Harvard Acappella LP	Apartments	97,500,000	0.83
10.	Amazon.com Services LLC	Industrial	89,788,341	0.76
11.	Welch Family Partnership	Commercial Properties	69,952,754	0.60
12.	Aimco San Bruno Apartments Partners LP	Apartments	67,245,895	0.57
13.	Virtu Aperture Owner LLC	Apartments	65,902,795	0.56
14.	The Police Credit Union of California	Office Building	64,305,368	0.55
15.	Bel Camino LLC	Supermarket	54,625,103	0.46
16.	San Bruno Towne Center Partnership	Shopping Center	52,502,363	0.45
17.	Bayhill Office Partners LLC	Office Building	48,744,609	0.41
18.	Artichoke Enterprises Inc.	Card Room	35,426,941	0.30
19.	SCG Airport Trade Center LLC	Industrial	34,330,124	0.29
20.	FW CA Bay Hill Shopping Center	Shopping Center	31,367,044	0.27
		Totals	**$3,092,917,396**	**26.31%**

(1) 2025-26 Local Secured Assessed Valuation: $11,755,929,771.
Source: California Municipal Statistics, Inc.

Concentration of Ownership. As shown in the table, the top twenty taxpayers in the City account for 26.31% of the assessed valuation in the City, with the top secured taxpayer, Google Inc. ("**Google**"), accounting for approximately 11.64% of the City's assessed valuation, with an assessed valuation of $1,368,691,582 for fiscal year 2025-26. Non-payment of property taxes by a large owner in the City could reduce the City's local property tax receipts that secure repayment of the Bonds. See also "APPENDIX A – CERTAIN INFORMATION REGARDING THE CITY OF SAN BRUNO AND COUNTY OF SAN MATEO - CITY FINANCIAL INFORMATION – Property Taxes."

Google is a global software and technology company, with the headquarters for its subsidiary YouTube located in the City. YouTube is currently expanding its presence in the City, with around 440,000 square footage of office space under construction.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. The Debt Report is included for general information purposes only. The City has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

The Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the City in whole or in part. Such long-term obligations generally are not payable from revenues of the City (except as indicated) nor are they necessarily obligations secured by land within the City. In many cases, long-term obligations issued by a public agency are payable only from the general fund or other revenues of such public agency.

The contents of the Debt Report are as follows: (1) the first column indicates the public agencies which have outstanding debt as of the date of the Debt Report and whose territory overlaps the City; (2) the second column shows the percentage that the City's assessed valuation represents of the total assessed valuation of each public agency identified in the first column; and (3) the third column is an apportionment of the dollar amount of each public agency's outstanding debt to property in the City, as determined by multiplying the total outstanding debt of each agency by the percentage of the City's assessed valuation represented in the second column.

Table 6
CITY OF SAN BRUNO
Statement of Direct and Overlapping Bonded Debt
As of March 31, 2026

2025-26 Assessed Valuation: $11,907,012,210

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt[(1)]**
San Mateo Community College District	3.486%	$21,851,265
South San Francisco Unified School District	0.953	2,559,646
San Mateo Union High School District	9.996	72,880,753
San Bruno Park School District	96.859	69,996,387
Millbrae School District	2.998	1,123,187
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$168,411,238
OVERLAPPING GENERAL FUND DEBT:		
San Mateo County General Fund Obligations	3.486%	$17,917,464
San Mateo County Board of Education Certificates of Participation	3.486	185,804
San Mateo County Flood and Sea LRR District General Fund Obligations	5.979	675,029
South San Francisco Unified School District General Fund Obligations	0.953	20,204
San Bruno Park School District General Fund Obligations	96.859	711,914
City of San Bruno General Fund Obligations	100.000	1,099,338
City of San Bruno Pension Obligation Bonds	100.000	2,220,000
San Mateo County Mosquito and Vector Control District Gen. Fund Obs.	3.486	103,171
TOTAL OVERLAPPING GENERAL FUND DEBT		$22,932,924
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		
City of San Bruno Lease Revenue Bonds[(2)]	100.000%	$2,625,000
TOTAL OVERLAPPING TAX INCREMENT DEBT		$2,625,000
COMBINED TOTAL DEBT		$193,969,162 [(3)]

Ratios to 2025-26 Assessed Valuation:
Total Overlapping Tax and Assessment Debt 1.41%
Combined Direct Debt ($3,319,338) 0.03%
Combined Total Debt 1.63%

Ratios to Redevelopment Incremental Valuation ($2,468,824,255):
Total Overlapping Tax Increment Debt 0.11%

(1) Excludes the Bonds to be sold.
(2) Lease payments are reimbursed to the City by the Successor Agency using tax increment under an Amended and Restated Reimbursement Agreement.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS

Principal and interest on the Bonds are payable from the proceeds of an *ad valorem* property tax levied by the County, as directed by the City, for the payment thereof. See "THE BONDS" and "SECURITY FOR THE BONDS." Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 62, 111, 218, 26, 1A and 22, and certain other provisions of law discussed below are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy, and the City to spend, tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds. The tax levied by the County, as directed by the City, for payment of the Bonds was approved by the City's voters in compliance with Article XIIIA and all applicable laws.

Article XIIIA of the State Constitution

On June 6, 1978, California voters approved Proposition 13, which added Article XIIIA to the State Constitution. Article XIIIA, as amended, limits the amount of any ad valorem tax on real property to one percent of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service (i) on indebtedness approved by the voters prior to July 1, 1978, (ii) on bonded indebtedness approved by a two-thirds vote on or after July 1, 1978, for the acquisition or improvement of real property or (iii) bonded indebtedness incurred by a school district, community college district or county office of education for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities or the acquisition or lease of real property for school facilities, approved by 55 percent of the voters voting on the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." This full cash value may be increased at a rate not to exceed two percent per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster, and in other minor or technical ways.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the County and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

Article XIIIB of the State Constitution

In addition to the limits Article XIIIA imposes on property taxes that may be collected by local governments, certain other revenues of the State and most local governments are subject to an annual "appropriations limit" imposed by Article XIIIB which effectively limits the amount of such revenues those entities are permitted to spend. Article XIIIB, approved by the voters in June 1979, was modified substantially by Proposition 111 in 1990. The appropriations limit of each government entity applies to "proceeds of taxes," which consist of tax revenues, State subventions and certain other funds, including proceeds from regulatory licenses, user charges or other fees to the extent that such proceeds exceed "the cost reasonably borne by such entity in providing the regulation, product or service." "Proceeds of taxes" excludes tax refunds and some benefit payments such as unemployment insurance. No limit is imposed on the appropriation of funds which are not "proceeds of taxes," such as reasonable user charges or fees, and certain other non-tax funds. Article XIIIB also does not limit appropriation of local revenues to pay debt service on Bonds existing or authorized by January 1, 1979, or subsequently authorized by the voters, appropriations required to comply with mandates of courts or the federal government, appropriations for qualified capital outlay projects, and appropriation by the State of revenues derived from any increase in gasoline taxes and motor vehicle weight fees above January 1, 1990, levels. The appropriations limit may also be exceeded in case of emergency; however, the appropriations limit for the next three years following such emergency appropriation must be reduced to the extent by which it was exceeded, unless the emergency arises from civil disturbance or natural disaster declared by the Governor, and the expenditure is approved by two-thirds of the legislative body of the local government.

The State and each local government entity has its own appropriations limit. Each year, the limit is adjusted to allow for changes, if any, in the cost of living, the population of the jurisdiction, and any transfer to or from another government entity of financial responsibility for providing services. Proposition 111 requires that each agency's actual appropriations be tested against its limit every two years. If the aggregate "proceeds of taxes" for the preceding two-year period exceeds the aggregate limit, the excess must be returned to the agency's taxpayers through tax rate or fee reductions over the following two years.

The City has never exceeded its appropriations limit.

Articles XIIIC and XIIID of the State Constitution

General. On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of the City to levy and collect both existing and future taxes, assessments, fees and charges.

On November 2, 2010, California voters approved Proposition 26, entitled the "Supermajority Vote to Pass New Taxes and Fees Act." Section 1 of Proposition 26 declares that Proposition 26 is intended to limit the ability of the State Legislature and local government to circumvent existing restrictions on increasing taxes by defining the new or expanded taxes as "fees." Proposition 26 amended Articles XIIIA and XIIIC of the State Constitution. The amendments to Article XIIIA limit the ability of the State Legislature to impose higher taxes (as defined in Proposition 26) without a two-thirds vote of the Legislature. The amendments to Article XIIIC define "taxes" that are subject to voter approval as "any levy, charge, or exaction of any kind imposed by a local government," with certain exceptions.

Taxes. Article XIIIC requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the City ("general taxes") require a majority vote; taxes for specific purposes ("special taxes"), even if deposited in the City's General Fund, require a two-thirds vote.

Property-Related Fees and Charges. Article XIIID also adds several provisions making it generally more difficult for local agencies to levy and maintain property-related fees, charges, and assessments for municipal services and programs.

Reduction or Repeal of Taxes, Assessments, Fees and Charges. Article XIIIC also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges currently comprising a substantial part of the City's General Fund. If such repeal or reduction occurs, the City's ability to pay debt service on the Bonds could be adversely affected.

Burden of Proof. Article XIIIC provides that local government "bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity." Similarly, Article XIIID provides that in "any legal action contesting the validity of a fee or charge, the burden shall be on the agency to demonstrate compliance" with Article XIIID.

Judicial Interpretation of Proposition 218. The interpretation and application of Articles XIIIC and XIIID will ultimately be determined by the courts, with various decisions already handed down, but none impacting the City's ability to pay the Bonds.

Proposition 62

Proposition 62 was adopted by the voters at the November 4, 1986, general election and (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities such as the City be approved by a two-thirds vote of the governmental entity's legislative body and by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIIIA, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985, be ratified by a majority vote of the voters voting in an election on the tax within two years of the adoption of the initiative or be terminated by November 15, 1988.

California appellate court cases have overturned the provisions of Proposition 62 pertaining to the imposition of taxes for general government purposes. However, the California Supreme Court upheld Proposition 62 in its decision on August 28, 1995, in *Fresno County Transportation Authority v. Guardino*. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities. The City has not experienced any substantive adverse financial impact as a result of the passage of this initiative.

Proposition 1A; Proposition 22; Property Tax Base Transfer Ballot Measure

Proposition 1A. Proposition 1A, proposed by the Legislature in connection with the State's Fiscal Year 2004-05 Budget, approved by the voters in November 2004 and generally effective in Fiscal Year 2006-07, provided that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibited the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any Fiscal Year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county had to be approved by two-thirds of both houses of the Legislature.

Proposition 22. Proposition 22, entitled "The Local Taxpayer, Public Safety and Transportation Protection Act," was approved by the voters of the State in November 2010. Proposition 22 eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Property Tax Base Transfer Ballot Measure. On November 3, 2020, State voters approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment ("**Proposition 19**"), which: (i) expands special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrows existing special rules for inherited properties; and (iii) broadens the scope of legal entity ownership changes that trigger reassessment of properties. The City cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the City.

Possible Future Initiatives

Articles XIIIA, XIIIB, XIIIC and XIIID and Propositions 62, 111, 218, 26, 1A, 22 and 19 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting revenues of the City or the City's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the City.

RISK FACTORS

The following information should be considered by prospective investors in evaluating the Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to investing in the Bonds. In addition, the order in which the following information is presented is not intended to reflect the relative importance of any such risks.

The various legal opinions to be delivered concurrently with the issuance of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by State and federal laws, rulings and decisions affecting remedies, and by bankruptcy, reorganization or other laws of general application affecting the enforcement of creditors' rights, including equitable principles.

Reduction in Taxable Value

Property tax revenue available to pay principal of and interest on the Bonds are determined by the amount of taxable value in the City and the current rate or rates at which property in the City is taxed. The reduction of taxable values of property in the City caused by economic factors beyond the City's control, such as the complete or partial destruction of property caused by, among other eventualities, fire, earthquake or other natural disaster, could cause a reduction in the property taxes available to pay debt service on the Bonds and in turn have an adverse effect on the City's ability to make timely payments on the Bonds.

Seismic. Earthquakes pose risks to the City due to the City's close proximity to active faults with histories of regular movements. The City straddles the San Andreas Fault and is approximately 18 miles southwest of the Hayward Fault. The San Andreas and Hayward faults are the two principally active, strike-slip faults in the San Francisco Bay Area. Other principal faults capable of producing significant ground shaking in the City include the San Gregorio-Hosgri, Rodger's Creek-Healdsburg, Calaveras, Concord-Green Valley, and Pilarcitos faults. The four major hazards associated with earthquakes include fault surface rupture, groundshaking, ground failure (landslides), and settlement.

Flood. No part of the City lies within the 100-year flood plain meaning that the statistical probability of flooding is less than one percent in any part of the City on any given year. The City has been designated Flood Zone C (Flood Hazard No. 060326B) per letter from the Federal Insurance Administration dated March 30, 1981. Although the City contains no areas officially designated as flood zones, there are some areas in the City that may occasionally flood due to combined high tides and heavy rains.

The Federal Emergency Management Agency ("**FEMA**") completed an engineering study of the San Francisco Bay including detailed analyses of coastal hazards as part of the California Coastal Analysis and Mapping Project in July, 2014. The results of the Coastal Flood Hazard Study are being used by FEMA to remap the elevation and inland extent of wave induced coastal flood hazards for San Francisco Bay communities including the City. FEMA conducted the study as part of their nationwide Risk Mapping, Assessment, and Planning Program to determine revised Base Flood Elevation, the extent of the Special Flood Hazard Areas for coastal communities, and to update the Flood Insurance Study reports and Flood Insurance Rate Maps. The results of the study identified potential flood hazard areas in the City, the majority of which is comprised of residential properties located on the west side of Highway 101 and south of Interstate 380. As part of its review of the proposed flood hazard maps which include portions of San Bruno, the City has raised significant technical comments concerning the 2014 study methodology and results related to the actual extent of potential flood hazard in the City. The City worked with a firm that has technical expertise in coastal engineering and with FEMA to evaluate and confirm the impacts and extent of the FEMA flood hazard area.

The analysis completed by the City's technical expert concluded the flooding area is significantly smaller than FEMA's findings. Based on the results, the City submitted an appeal package to FEMA on August 2016 along with letters of support from both Congresswoman Jackie

Speier and Supervisor David Pine. The City's appeal was denied by FEMA. The City continued and submitted the application to FEMA immediately requesting the Scientific Resolution Panel ("**SRP**") which is the last step in the appeal process. The City wanted the SRP to review the analysis and provide independent review of our findings. In April 2018, the City was informed that the SRP denied the appeal.

Since the appeal process has been completed, FEMA issued a Letter of Final Flood Evaluation Determination to the County and City on October 5, 2018. In response, the City adopted a Floodplain Management Ordinance, which FEMA made minor revisions to in 2019.

The City continues to work on this issue and is currently working with the County and City of South San Francisco to study one of the flooding sources and trying to determine how to mitigate the issue. In 2025, the City solicited bids for engineering services related to updates to its Storm Drain Master Plan, which was last revised in June 2014. In January 2020, the San Mateo County Flood and Sea Level Rise Resiliency District (also known as OneShoreline) was established as the first government agency in California that is solely focused on water-related impacts of climate change. OneShoreline is funded with a mix of contributions from cities within the County (including the City) along with County and State grants, and also manages the San Bruno Creek Flood Zone, which is funded by property taxes in the San Bruno creek watershed. OneShoreline is developing proposed solutions to flood risks within the San Bruno Creek Floodzone.

Wildfires and Fire Insurance. In the past, drought conditions in the State (see "– Natural Calamities – Droughts" below) have led to increased risk of wildfire. In particular, certain electrical operators in the State have seen their distribution/transmission lines cause billions of dollars in property damage and the loss of lives. In 2023, as in several prior years, for example, devastating wildfires burned in various communities in California, causing wide-spread damage. In 2025, communities in Los Angeles County, including Pacific Palisades, Malibu and Altadena, experienced widespread devastation from wildfires causing losses of life, thousands of burned homes, and billions of dollars in property damage. Portions of the City are located in "very high", "high" and "moderate" fire hazard severity zones, and no assurance can be given that wildfires will not erupt in the City and negatively impact development of property in the City or willingness and ability to pay property taxes in the future.

On January 16, 2025, Governor Gavin Newsom issued Executive Order N-10-25 (the "**Governor's Order**") which canceled penalties, costs and interest on overdue property taxes) within certain zip codes affected by the Palisades Fire and the Altadena Fire during calendar year 2025. This will likely cause a delay in the payment of taxes by certain property owners in any areas affected by the Governor's Order. In the event of a major fire or other natural disaster affecting the City, a similar order affecting the City could impact the debt service payment for the Bonds.

Droughts. From time to time, areas of the State have experienced significant drought conditions that resulted in negative impacts to water supplies, which could have an adverse effect on property values in the City. The City cannot predict what effect drought conditions may have on the desirability to live in the City or property values therein.

Hazardous Substances. An additional environmental condition that may result in the reduction in the assessed value of property would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the City. In general, the owners and operators of property may be required by law to remedy conditions of the property relating to releases or threatened releases of hazardous substances. The owner or operator may be required to remedy a hazardous substance condition of property whether or not the owner or operator has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the property within the City be affected by a hazardous substance, could be to reduce the marketability and value of the property by the costs of remedying the condition.

Economic Instability. The general economy of the City will be subject to all of the risks generally associated with urban real estate markets. Real estate prices may be adversely affected by changes in general economic conditions, fluctuations in the real estate market and interest rates, unexpected increases in home improvement costs and by other similar factors. In addition, if there is a significant decline in the general economy of the City, the owners of property within the City may be less able or less willing to make timely payments of property taxes or may petition for reduced assessed valuation causing a delay or interruption in the receipt of property tax revenues by the City.

In the event that one or more of such above conditions occur, such occurrence could cause damages of varying seriousness to the land and improvements and the value of property in the City could be diminished in the aftermath of such events. A substantial reduction of the value of such properties could affect the ability or willingness of the property owners to pay the property taxes. The above list is not exhaustive.

Potential General Fund Structural Deficit

On April 17, 2023 the California Department of Tax and Fee Administration ("**CDTFA**") issuedreallocation notices to the City, which state that certain sales tax revenues (in the amount of approximately $27.5 million, for the period of July 1, 2020 through December 31, 2022) should be reallocated from the City to other jurisdictions. On May 17, 2023, the City submitted a petition to CDTFA to object to and appeal the reallocation notices. In addition, on October 20, 2023, the City and Walmart filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief asking the court to find the City's allocation of local sales taxes is proper. On June 16, 2026, the court entered judgement in favor of CDTFA, dismissing the entirety of the lawsuit with prejudice. On July 14, 2026, the City Council authorized counsel to appeal the superior court decision. In the event that the courts do not provide the relief that the City seeks, the City's objection to the reallocation notices must be heard through the administrative appeal process before coming back to the court. As of June 30, 2025, the amount in dispute was approximately $64.3 million.

Property Tax In-Lieu of Vehicle License Fees ("**In-Lieu VLF**") represents the swap of VLF for property tax as part of a state-local budget agreement in 2004. The agreement permanently reduced the VLF tax rate from 2% to 0.65%, and the revenue loss was replaced with a similar amount from property tax. However, in recent years, the formula used to calculate In-Lieu VLF and ERAF has resulted in a unique circumstance for the County where there is insufficient property tax to backfill the losses resulting from the 2004 decision. Affected cities in the County are lobbying for the State to backfill the In-Lieu VLF shortfall with State General Fund monies; however, the State faces similar budget challenges and may not make the City whole. As a result, while the City is entitled to approximately $7 million in Fiscal Year 2025-26, the budget assumes a loss of $3 million. The City anticipates a complete loss of In-Lieu VLF in the next several years without legislative changes to the formulas.

The City is also at risk of losing $2 million in revenues annually if the State Controller finds that the County has miscalculated their Excess Educational Revenue Augmentation Fund ("**ERAF**") distributions, and at risk of losing approximately $3.4 million in cardroom revenues fees pending regulatory approvals required by the State for the ability to offer certain card games. A change in the types of games authorized may have a material impact on the cardrooms' operations.

These potential revenue risks could result in a structural deficit for the City's General Fund for the next five Fiscal Years. The City made structural deficit reductions by reducing authorized employees by 8.0 in response to the In-Lieu VLF loss of $3 million in fiscal year 2026-27. The City continues to explore various scenarios which may include reductions in services provided and workforce reductions. Additionally, the City Council decided on July 28, 2026 to move forward with a ballot measure for an increase to the City business license tax ordinance on the November 2026 ballot that would generate revenue to offset threatened revenue losses as discussed above.

Bankruptcy and Foreclosure

The payment of property taxes and the ability of the County to foreclose the lien of a delinquent unpaid tax may be limited by bankruptcy, insolvency, or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Cyber Security

The City, like many other public and private entities, rely on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other sensitive electronic information, the City is potentially subject to multiple cyber threats, including without limitation hacking, viruses, ransomware, malware and other attacks. No assurance can be given that their efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially adversely impact the operations or finances of any entity, including with respect to the administration of the Bonds. The City is also reliant on other entities and service providers in connection with the administration of the Bonds, including without limitation the County Auditor-Controller for the levy and collection of taxes, State agencies, and the Paying Agent. No assurance can be given that the City and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Proximity to San Francisco International Airport

The Airport is a major international airport located near the City, with flights to points throughout North America, Europe and Asia. It is the largest airport in the San Francisco Bay Area and the second busiest airport in the State, after Los Angeles International Airport. In fiscal year 2025 (the most recent year for which information is available from the Airport), the Airport reports 54.1 million total passengers and 555,099 metric tons of cargo passing through the Airport. The City lies directly within the flight path of the Airport, and a major disaster occurring at the Airport could adversely affect assessed valuations in the City.

Natural Gas Transmission Pipelines

On September 9, 2010, a Pacific Gas and Electric Company ("**PG&E**") high pressure natural gas transmission pipeline exploded in the City, with catastrophic results, including the destruction of 38 homes and the loss of 8 lives. There are similar transmission pipelines and numerous other types of pipelines owned, operated and maintained by PG&E located throughout the City, none of which is currently considered to be one of PG&E's top 100 at-risk pipelines.

Following the explosion, PG&E has decommissioned its Transmission Line 132 in the City and has completed significant inspection and testing of its pipelines within the City. Ongoing regulatory proceedings conducted by the California Public Utilities Commission have required PG&E to make safety improvements to its system in the City and throughout the State.

Pandemic Diseases

In recent years, the COVID-19 pandemic impacted governments, businesses and people in a manner having negative effects on global and local economies. In response to the pandemic, the City took actions to activate its emergency operations center, temporarily close all non-essential City services, introduced teleworking as and where appropriate, implemented daily screening of all employees, and abided by all state and federal guidelines and orders.

Although the COVID-19 pandemic is now officially over, the City cannot predict the impact that COVID-19 or another future pandemic or other health event may have on the City. There can be no assurances that the spread of future pandemics or other health events, such as declining business and travel activity, will not materially adversely impact the financial condition of the City, and assessed valuations within the City. In addition, the City may experience increased personnel costs and/or reduced revenues due to any such situation and the related impact on economic and other activity in and around the City, potentially adversely impacting assessed valuations.

Loss of Tax-Exemption

Interest on the Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the City in violation of its covenants in the Bond Resolution. In addition, current and future legislative proposals, if enacted into law, may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation by, for example, changing the current exclusion or deduction rules to limit the aggregate amount of interest on state and local government bonds that may be treated as tax exempt by individuals. Should such an event of taxability occur, the Bonds are not subject to special redemption and will remain outstanding until maturity or until redeemed under other provisions set forth in the Bond Resolution.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

TAX MATTERS

Federal Tax Status. In the opinion of Jones Hall LLP, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "**original issue discount**" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "**original issue premium**" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

California Tax Status. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Form of Opinion; Contingent Compensation. The proposed form of opinion of Bond Counsel is attached hereto as APPENDIX C. Jones Hall will receive compensation from the City contingent upon the sale and delivery of the Bonds.

Other Considerations. Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above, including any opinion regarding federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

In addition, future legislation, if enacted into law, or clarification of the Tax Code may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise prevent owners of the Bonds from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such future legislation or clarification of the Tax Code may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation, as to which Bond Counsel expresses no opinion.

CONTINUING DISCLOSURE

The City will covenant for the benefit of owners of the Bonds to provide certain financial information and operating data relating to the City by not later than April 1 after the end of each fiscal year of the City (currently June 30), commencing with the report for the 2025-26 fiscal year (the "**Annual Report**"), and to provide notices of the occurrence of certain enumerated events. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in the form of Continuing Disclosure Certificate attached as APPENDIX D. These covenants will be made to assist the Underwriter (as defined below) in complying with Securities Exchange Commission Rule 15c2-12(b)(5) (the "**Rule**").

In the past five years, the City has been in compliance with its prior undertakings under the Rule, other than (i) a late filing of certain statistical tables in its 2022 Operating Data Report, which were subsequently included in the final audit posted in June 2026 and (ii) a material events notice related to its entry into the 2022 Fire Truck lease, which was filed after the 10-day deadline. The City has engaged Applied Best Practices to serve as dissemination agent for the City respect to the Bonds.

LITIGATION

No Bond-Related Litigation. No litigation is pending or threatened concerning the validity of the Bonds, and a certificate to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds. The City is not aware of any litigation pending or threatened questioning the political existence of the City or contesting the City's ability to receive *ad valorem* taxes or to collect other revenues or contesting the City's ability to issue and repay the Bonds.

Other Litigation. As discussed under "BOND OWNERS' RISKS – Potential General Fund Structural Deficit, on April 17, 2023, the CDTFA issued a reallocation notice to the City and Walmart in the amount of approximately $27.5 million, which states that certain sales tax should be reallocated to other jurisdictions. The City and Walmart filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief on October 26, 2023 to find the City's allocation of local sales taxes is proper. If the City and Walmart lose the case, the City would owe up to approximately $20.9 million to the CDTFA, which amount would then be redistributed to other local sales tax entities. In July 2025, the City and Walmart's claim was dismissed by the California Superior Court, which ruled that the City cannot bypass the required administrative process by challenging the reallocation within CDTFA.

The City is also at risk of losing $3.4 million annually in cardroom taxes and fees pending outcome of lawsuits authorized by 2024 State Senate Bill 549 which allows Native American tribes to sue gambling halls across California alleging that those establishments illegally offer card games such as black jack and poker that cut into the tribes' gambling revenues.

As discussed under "BOND OWNERS' RISKS – Potential General Fund Structural Deficit," the City anticipates a complete loss of In-Lieu VLF in the next several years without legislative changes to the formulas which determine VLF allocations. The City has joined in a lawsuit brought by the County against the State, which accuses the State of withholding VLF funds.

RATING

S&P Global Ratings, a division of Standard & Poor's Financial Services LLC ("**S&P**"), has assigned its municipal bond rating on the Bonds of "AAA." There is no assurance that the rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by S&P, if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

The City has furnished to S&P information and material which has not been included in this Official Statement. Generally, rating agencies base their ratings on information and material so furnished and on investigations, studies and assumptions made by the rating agencies. The ratings reflect only the view of such organization and an explanation of the significance of such rating may be obtained from S&P.

The City has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("**EMMA**") notices of any ratings changes on the Bonds. See "CONTINUING DISCLOSURE." Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the City and prior to the date the City is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

MUNICIPAL ADVISOR

The City has retained Fieldman Rolapp & Associates, Inc., as its municipal advisor (the "**Municipal Advisor**") in connection with the issuance of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or assumes any responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor has provided the following sentence for inclusion in this Official Statement: The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the City and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

The Municipal Advisor has assisted the City with the structure, timing and terms for the sale of the Bonds. The Municipal Advisor provides municipal advisory services only and do not engage in the underwriting, marketing, or trading of municipal securities or other negotiable instruments. The compensation of the Municipal Advisor is contingent upon the delivery of the Bonds.

COMPETITIVE SALE OF BONDS

The Bonds were sold following a competitive bidding process, and were awarded to ______________ (the "**Underwriter**"), whose proposal represented the conforming bid with the lowest true interest cost for the Bonds as determined in accordance with the Official Notice of Sale. The Underwriter has agreed to purchase the Bonds at a price of $____________, which is equal to the initial principal amount of the Bonds of $____________ plus a net original issue premium of $_______________, less an Underwriter's discount of $____________. The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may offer and sell to certain dealers and others at a price lower than the offering prices stated on the inside cover page hereof. The offering price may be changed from time to time by the Underwriter.

EXECUTION

The execution of this Official Statement and its delivery have been approved by the City Council.

CITY OF SAN BRUNO

By: ______________________________________
City Manager

APPENDIX A

CERTAIN INFORMATION REGARDING THE CITY OF SAN BRUNO AND COUNTY OF SAN MATEO

The Bonds are secured solely by an ad valorem property tax levied by the County, on behalf of the City, in an amount sufficient to pay principal of and interest on the Bonds each year. The Bonds are not payable from any other funds or revenues. Information regarding the City and its General Fund finances is provided for informational purposes only; and does not constitute security for the repayment of the Bonds.

Introduction

The City. The City of San Bruno (the "**City**") is located on the San Francisco Peninsula in the County of San Mateo (the "**County**") in the State of California (the "**State**"), approximately 12 miles south of San Francisco, 14 miles north of Redwood City (the County seat), and immediately adjacent to the San Francisco International Airport. The City covers a total land area of 5.5 square miles.

***The County*.** The County is located directly south of the City and County of San Francisco and north of the County of Santa Cruz on the California Coast and the County of Santa Clara along the San Francisco Bay. The County is a major employment base, and is also accessible to the San Jose and Silicon Valley areas approximately 30 miles south via Interstate 280 or U.S. Highway 101. The County has an approximate total area of 741 square miles, of which 448 square miles is land and 293 square miles is water. It is the third-smallest county in California by land area.

Population

Population figures for the City, County and State for the last five years are shown in the following table.

CITY OF SAN BRUNO, COUNTY OF SAN MATEO AND STATE OF CALIFORNIA
Population Estimates
(as of January 1)

Year	City of San Bruno	County of San Mateo	State of California
2022	42,467	742,635	39,159,480
2023	42,468	744,592	39,167,274
2024	42,241	744,152	39,446,835
2025	42,567	748,412	39,646,907
2026	42,411	748,182	39,592,978

Source: California State Department of Finance estimates.

City Government

The City was incorporated on December 23, 1914, as a general law city. The City is governed by the City Council and operates under a Council-Manager form of government. As the policy-making body, it has the ultimate responsibility to the people of the City and the implementation of all programs and City services. It approves all ordinances, resolutions, and major contracts modifies and approves the budget, and has the responsibility of employing a City Manager and City Attorney.

The City Manager is responsible for carrying out the policies of the City Council and for the proper and efficient management of municipal activities. The City Manager directs and manages the various departments and municipal services through appointed Department Heads who directly supervise and administer the various City programs, services, and activities.

The current members of the City Council are shown in the following table:

Member	Office	Term Expires
Rico E. Medina	Mayor	December 2026
Sandy Alvarez	Vice Mayor	December 2026
Tom Hamilton	Council Member	December 2028
Marty Medina	Council Member	December 2026
Michael Salazar	Council Member	December 2028

CITY FINANCIAL INFORMATION

Accounting Policies and Financial Reporting

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The City's most recent audited financial statement for the fiscal year ending June 30, 2025, are attached as "APPENDIX B – AUDITED FINANCIAL STATEMENT OF THE CITY FOR THE FISCAL YEAR ENDED JUNE 30, 2025" to this Official Statement, which were prepared by the City and audited by Badawi & Associates, CPAs (the "**Auditor**").

The audited financial statement should be read in their entirety. The City has not requested nor did the City obtain permission from the Auditor to include the audited financial statement as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the City or the General Fund. In addition, the Auditor has not reviewed this Official Statement.

Financial Statements

The tables on the following pages provide a recent history of the City's General Fund balance sheet, and General Fund revenues, expenditures, transfers, and ending fund balances.

CITY OF SAN BRUNO
GENERAL FUND BALANCE SHEET
(Fiscal Year Ending June 30)

	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
ASSETS:					
Cash and investments[1]	$21,888,196	$29,536,324	$25,224,890	$54,052,858	$57,534,380
Cash and investments with fiscal agent	50,496	50,496	50,496	53,082	57,718
Receivables:					
Taxes	6,161,557	5,099,304	6,745,058	8,796,961	9,829,931
Accounts	--	--	69,757	91,112	533,851
Interest	137,168	76,483	647,297	723,898	872,295
Loans	775,862	749,809	1,089,120	885,047	926,596
Other	1,407,317	5,461,012	1,493,976	1,552,472	1,382,302
Due from other funds	27,135	--	1,450,548	1,671,225	3,590,531
Advances to other funds	14,415,651	15,316,895	16,679,225	2,000,000	2,000,000
Other assets	--	--	--	--	--
TOTAL ASSETS	**44,863,382**	**56,290,323**	**53,450,367**	**69,826,655**	**76,727,604**
LIABILITIES:					
Accounts Payable and Accrued Liabilities	5,117,831	5,238,378	5,517,269	5,512,618	7,844,566
Deposits Payable	3,504,872	2,070,937	1,966,495	2,150,139	2,510,795
Unearned revenue	859,418	1,944,239	4,836,826	98,133	109,427
Other liabilities	--	440,500	1,102,681	1,228,448	185,761
TOTAL LIABILITIES	**9,482,121**	**9,694,054**	**13,423,271**	**8,989,448**	**10,650,549**
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	--	--	--	--	--
TOTAL DEFERRED INFLOWS OF RESOURCES	--	--	--	--	--
FUND BALANCES (DEFICIT)					
Nonspendable	14,415,651	15,316,895	16,679,225	2,885,047	2,926,596
Restricted	--	--	--	--	--
Assigned	30,408,528	26,045,126	15,910,896	18,161,142	9,666,621
Unassigned	(9,442,918)	5,234,248	7,436,975	39,791,018	53,483,838
TOTAL FUND BALANCES (DEFICIT)	**35,381,261**	**46,596,269**	**40,027,096**	**60,837,207**	**66,077,055**
TOTAL LIABILITIES AND FUND BALANCES	**$44,863,382**	**$56,290,323**	**$53,450,367**	**$69,826,655**	**$76,727,604**

(1) Increase in cash and investments in Fisal Year 2023-24 is attributable to a repayment of a loan to the CityNet Fund.
Source: City of San Bruno, Annual Financial Statements for Fiscal Years 2020-21 through 2024-25.

CITY OF SAN BRUNO
GENERAL FUND REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
(Fiscal Year Ending June 30)

	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
REVENUES:					
Taxes	$34,081,291	$42,335,688	$44,206,883	$45,201,975	$48,923,037
Licenses and permits	4,914,700	5,609,093	7,237,718	9,226,757	3,651,136
Intergovernmental and grants	4,755,748	11,054,305	7,743,930	10,603,420	6,299,037
Charges for service	2,093,216	3,915,518	4,595,952	4,288,484	3,354,749
Fines and forfeitures	722,685	612,247	626,532	973,565	937,116
Use of money and property	(347,948)	(6,745,185)	(584,768)	7,802,726	8,967,607
Other Revenues	9,964,869	6,579,462	5,864,628	8,062,262	398,014
TOTAL REVENUES	**56,184,561**	**63,361,128**	**69,690,875**	**86,159,189**	**72,530,696**
EXPENDITURES:					
Current:					
General Government	7,012,591	7,945,649	8,630,693	8,632,785	11,599,685
Public Safety	28,143,174	30,356,530	34,306,350	36,271,471	33,109,212
Public Works	1,540,457	1,551,310	2,053,186	2,143,316	1,583,990
Streets	1,570,931	1,755,168	2,055,155	2,423,858	2,285,308
Parks and recreation	4,645,159	4,937,774	5,443,772	6,576,173	4,642,063
Library	1,930,827	2,071,002	2,218,207	2,303,670	2,244,810
Community and economic development	2,516,995	2,787,248	3,198,317	3,364,108	7,870
Capital outlay	800,041	2,008,149	1,112,575	881,804	943,831
Debt service-principal	--	--	--	--	--
Debt service-interest	--	--	--	--	--
TOTAL EXPENDITURES	**48,160,175**	**53,412,830**	**59,018,255**	**62,597,186**	**56,416,769**
Excess Revenues Over (Under) Expenditures	8,024,386	9,948,298	10,672,620	23,562,003	16,113,927
OTHER FINANCING SOURCES (USES)					
Transfers in	3,138,051	5,094,598	2,928,207	4,204,266	1,687,868
Transfers out	(3,145,999)	(3,827,888)	(20,860,702)	(11,661,913)	(13,561,932)
Proceeds from sale of property	--	--	690,702	4,705,755	999,985
TOTAL OTHER FINANCING SOURCES (USES)	**(7,948)**	**1,266,710**	**(17,241,793)**	**(2,751,892)**	**(10,874,079)**
Net Change in Fund Balance	8,016,438	11,215,008	(6,569,173)	20,810,111	5,239,848
Fund Balance, July 1	27,364,823	35,381,261	46,596,269	40,027,096	60,837,207
Fund Balance, June 30	**$35,381,261**	**$46,596,269**	**$40,027,096**	**$60,837,207**	**$66,077,055**

Source: City of San Bruno, Audited Financial Statements for Fiscal Years 2020-21 through 2024-25.

General Fund Budgets

General. The City's annual budget serves as the foundation of the City's financial planning and control. Upon adoption of the budget by the City Council, the responsibility of implementing each department's budget lies with each Department Head, with oversight by the Administrative Services Director and ultimate responsibility resting with the City Manager. Department Heads are expected to operate their departments within the appropriations established in the budget.

This budget is arranged by department, fund, and function. The level of budgetary control is established at the fund level. Department Heads may authorize the transfer of appropriations within a department, except transfers: (1) that would purport an increase in the number of regular personnel, and (2) that would decrease appropriations for capital outlay. The City Manager may transfer appropriations between departments so long as total appropriations are not increased within a fund. The City Council has the overriding authority to control the use of revenues and the appropriations of funds and therefor may modify this policy at any time. The total appropriations in any fund may not be increase except by the City Council.

The budget is reviewed and presented to City Council on a quarterly basis with a more extensive mid-year budget review. During the quarterly budget review by City Council, consideration is given to necessary adjustments for new programs, projects, and other adjustments to ensure that expenditures and revenues are in line with the budgeted projections.

A carefully designed system of internal accounting and budgetary controls is used to ensure that revenues and expenditures/expenses are tracked and used as intended. These controls are designed to provide reasonable, but not necessarily absolute, assurance with respect to the reliability of financial and budgetary records for use in the preparation of financial statements, as well as accountability for all City assets. At the end of each fiscal year-end, all operating budget appropriations lapse.

Impact of State Budget on City Finances. In general, the State budget does not have a material impact on the City's annual budgets. Instead, the City relies on local revenue sources, such as property taxes, real property transfer taxes, sales tax, transient occupancy taxes, voter approved parcel taxes, and local business license to fund its operations.

Information about the Fiscal Year 2025-26 adopted State budget and other State budgets is regularly available at various State-maintained websites. An impartial analysis of the budget is posted by the Legislative Analyst Office at www.lao.ca.gov. *The information referred to in this paragraph is prepared by the respective State agency maintaining each website and not by the City, and the City and its agents take no responsibility for the continued accuracy of the Internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated in this Official Statement by these references.*

City General Revenues

Taxes and other sources of revenue received by the City are listed in the table below, which presents the major general revenues of the City's government activities for the last five fiscal years for which audited financial statements are available. Certain taxes currently imposed by the City are affected by Proposition 218. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS – Article XIIIC and Article XIIID of the State Constitution."

As shown in the table, sales taxes represent the largest source of general revenues of the City's government activities to the City for each of the past five fiscal years for which audited financial statements are available.

CITY OF SAN BRUNO
Major Revenues by Source – General Revenues for Government Activities

REVENUES:	Audited 2020-21	Audited 2021-22	Audited 2022-23	Audited 2023-24	Audited 2024-25
Property taxes	$12,618,447	$14,532,727	$14,931,681	$15,417,048	$16,171,524
Transient occupancy taxes	1,247,467	2,408,999	3,459,947	3,558,287	3,409,014
Franchise taxes	1,798,673	1,624,176	1,705,417	2,076,227	2,153,559
Sales taxes	17,780,042	21,549,194	20,928,603	20,818,065	23,611,601
Cardroom taxes	2,035,009	2,220,592	3,181,236	3,333,236	3,435,504
Other taxes	2,045,462	2,277,785	2,219,479	4,028,690	3,118,653
State gasoline tax	5,032,607	7,646,019	5,314,866	5,584,474	6,084,725
Miscellaneous	--	--	--	--	--
Use of money and property	(341,249)	(6,715,096)	(541,036)	11,237,201	10,114,200
Transfers	--	--	94,724	--	--
TOTAL REVENUES	**$42,216,458**	**$45,544,396**	**$51,294,917**	**$66,053,228**	**$68,098,780**

Source: City of San Bruno Audited Financial Statements for Fiscal Years 2020-21 through 2024-25.

Sales Taxes

General. Sales taxes represent the single largest source of General Fund revenues to the City each year. For Fiscal Year 2024-25, the City received $23,611,601 in sales taxes, an increase of $2,793,536 or 13.4%, from the prior fiscal year adjusted budget for this category.

This section describes the current system for levying, collecting and distributing sales and use tax revenues in the State of California.

Sales and use taxes are complementary taxes; when one applies, the other does not. In general, the statewide sales tax applies to gross receipts of retailers from the sale of tangible personal property in the State of California. The use tax is imposed on the purchase, for storage, use or other consumption in the State of tangible personal property from any retailer. The use tax generally applies to purchases of personal property from a retailer outside the State of California where the use will occur within the State of California.

Certain transactions are exempt from the State sales tax, including sales of the following products:

- food products for home consumption;
- prescription medicine;

- newspapers and periodicals;
- edible livestock and their feed;
- seed and fertilizer used in raising food for human consumption; and
- gas, electricity and water when delivered to consumers through mains, lines and pipes.

This is not an exhaustive list of exempt transactions. A comprehensive list can be found on the Department of Tax and Fee Administration's website at http://www.boe.ca.gov/. *The reference to this Internet website is provided for reference and convenience only. The information contained within the website may not be current, has not been reviewed by the City and is not incorporated in this Official Statement by reference.*

Sales Tax Collection Procedures. Collection of the sales and use tax is administered by the California Department of Tax and Fee Administration ("**CDTFA**"). Under the Sales and Use Tax Law, all sales and use taxes collected by the CDTFA under a contract with any city, city and county, redevelopment agency, or county are required to be transmitted by the CDTFA to such city, city and county, redevelopment agency, or county periodically as promptly as feasible. These transmittals are required to be made at least twice in each calendar quarter.

Under its procedures, the Department of Tax and Fee Administration projects receipts of the sales and use tax on a quarterly basis and remits an advance of the receipts of the sales and use tax to the City on a monthly basis. The amount of each monthly advance is based upon the Department of Tax and Fee Administration's quarterly projection. During the last month of each quarter, the Department of Tax and Fee Administration adjusts the amount remitted to reflect the actual receipts of the sales and use tax for the previous quarter.

According to the CDTFA, it distributes quarterly tax revenues to cities, counties and special districts using the following method:

Using the prior year's like quarterly tax allocation as a starting point, the Department of Tax and Fee Administration first eliminates nonrecurring transactions such as fund transfers, audit payments and refunds, and then adjusts for growth, in order to establish the estimated base amount. The Department of Tax and Fee Administration disburses 90% to each local jurisdiction in three monthly installments (advances) prior to the final computation of the quarter's actual receipts. Ten percent is withheld as a reserve against unexpected occurrences that can affect tax collections (such as earthquakes, fire or other natural disaster) or distributions of revenue such as unusually large refunds or negative fund transfers. The first and second advances each represent 30% of the 90% distribution, while the third advance represents 40%. One advance payment is made each month, and the quarterly reconciliation payment (clean-up) is distributed in conjunction with the first advance for the subsequent quarter. Statements showing total collections, administrative costs, prior advances and the current advance are provided with each quarterly clean-up payment.

The CDTFA receives an administrative fee based on the cost of services provided by the Board to the City in administering the City's sales tax, which is deducted from revenue generated by the sales and use tax before it is distributed to the City.

Sales Tax Rates. The City receives a percentage of taxable sales in the City (minus certain administrative costs imposed by the Department of Tax and Fee Administration) pursuant to the Bradley-Burns Uniform Local Sales and Use Tax (the "**Sales Tax Law**"), as shown below. Currently, taxable transactions in the City are subject to the following sales and use tax, of which the City's share is only a portion. The State collects and administers the tax, and makes distributions on taxes collected within the City, as follows:

CITY OF SAN BRUNO
Sales Tax Rates
As of April 1, 2026

Component	Rate
State-Wide Tax Rate	6.000%
San Mateo County	0.250
City of San Bruno (Measure G)	0.500
San Mateo County Local Tax	1.000
San Mateo County Special Tax	2.125
Total City of San Bruno Tax Rate	**9.875%**

Source: State Department of Tax and Fee Administration.

City of San Bruno Transactions and Use Tax (Measure G). Measure G is a 1/2 cent general sales tax that was passed by voters in the City November 2019 to fund City services/facilities such as neighborhood police patrols; fire prevention services; urban wildfire protection; crime suppression/investigation; pothole/street repair; increasing parking supply; upgrading parks/other city services/facilities; and expanding services supporting local businesses. There is no sunset date and all funds are available for all General Fund purposes.

Taxable Transactions**.** Total taxable sales during calendar year 2025 in the City were reported to be $2,595,027,734, a 15.67% increase in total taxable sales of $2,243,487,683 reported during calendar year 2024.

The following table shows number of permits and taxable transactions within the City for the years shown.

CITY OF SAN BRUNO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
Year	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2021	604	$1,047,601	984	$2,005,913
2022	585	1,099,923	982	1,908,802
2023	565	1,164,701	946	1,929,624
2024	559	1,234,083	932	2,243,488
2025	545	1,373,484	906	2,595,028

Source: State Department of Tax and Fee Administration.

The following table shows taxable transactions within the City by type of business for the years shown.

CITY OF SAN BRUNO
TAXABLE TRANSACTIONS
(Figures in Thousands)

	2021	2022	2023	2024	2025
Apparel Stores	$370,370	$325,117	$289,164	$251,411	$217,484
Auto Dealers and Supplies	1,274,083	1,523,178	2,037,469	2,143,898	2,353,955
Building Materials	581,778	555,816	538,856	521,737	494,908
Drug Stores	90,234	96,022	89,816	92,890	149,758
Eating and Drinking Places	1,028,352	1,176,720	1,253,336	1,188,555	1,191,014
Food Stores	131,690	130,325	130,568	124,912	115,831
Furniture and Appliances	125,374	148,055	136,442	135,387	123,562
General Merchandise	448,716	477,228	453,081	462,786	398,214
Other Retail Stores	426,211	377,769	296,731	281,555	272,769
Packaged Liquor	124,748	123,802	125,927	117,922	113,520
Service Stations	651,526	812,443	709,087	680,767	609,571
Non-Store & Part Time Retailers	11,186	9,647	7,004	6,234	3,504
Business, Service & Repair Group	210,341	226,669	241,202	251,956	250,535
Contractors & Material	105,023	296,862	139,239	239,154	135,411
Drugs & Chemical	0	22	6	25	6,548
Food/Farm Products & Equip	622	597	259	474	964
Furniture & Textiles	11,382	9,972	1,287	969	1,296
Heavy Industrial Equipment	34,350	35,095	22,789	3,107	2,248
Industrial Equipment	4,827	6,352	10,768	39,913	37,384
All Other Equipment	13,094,892	12,841,195	12,921,260	15,974,028	19,664,811
State Adjustments & Transfers	30	2,847	4,861	13,512	63,030
Non-Store & Part Time Retailers	11,186	9,647	7,004	6,234	3,504
Business, Service & Repair Group	210,341	226,669	241,202	251,956	250,535
Manufacturer & Wholesaler Group	13,251,095	13,190,095	13,095,607	16,257,669	19,848,662
State Adjustments & Transfers	30	2,847	4,861	13,512	63,030
County Pool	5,734,006	5,038,821	4,623,388	5,739,167	6,760,695
State Pool	5,614	9,138	10,247	12,464	19,737
County Share	(1,286,192)	(1,214,603)	(1,122,715)	(1,411,826)	(1,644,839)
TOTAL:	**$36,651,815**	**$36,438,347**	**$36,268,746**	**$43,400,368**	**$51,507,641**

Source: HdL Coren & Cone.

Property Taxes

General. Property taxes generally represent the 2nd largest source of tax revenue to the City. The City received $16,171,524 in property tax revenue for Fiscal Year 2024-25, slightly higher than the estimates for the prior fiscal year. See " – Assessed Valuation" below. This amount includes: Property Tax Secured, Property Tax Unsecured, ERAF, Prior Year Property Tax, Real Property Transfer Tax, In Lieu VLF, and Homeowner Property Tax.

As discussed under "BOND OWNERS' RISKS – In-Lieu Vehicle License Fee and Excess Educational Revenue Augmentation Fund Allocation," the City anticipates a complete loss of In-Lieu VLF in the next several years without legislative changes to the formulas which determine VLF allocations.

This section describes property tax levy and collection procedures and certain information regarding historical assessed values and major property taxpayers in the City. Property taxes have historically been the primary revenue source affected by voter initiatives and legislative actions. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS."

Levy and Collection. Property taxes are levied for each fiscal year on taxable real and personal property as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed public utilities property and real property the taxes on which are a lien sufficient, in the opinion of the County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. A penalty of 10% attaches immediately to all delinquent payments. Property on the secured roll with respect to which taxes are delinquent become tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property may be sold at public auction.

Property taxes on the unsecured roll are due as of the January 1 lien dates and become delinquent on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The County has four ways of collecting delinquent unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a judgment in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

For additional information the levy and collection of property taxes, see the main body of this Official Statement.

***Assessed Valuation**.* All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. Future assessed valuation growth allowed under Article XIIIA of the State Constitution (new construction, certain changes of ownership, 2% inflation) will be allocated on based on "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING CITY REVENUES AND APPROPRIATIONS."

Assessed Valuation History. Table 1, in the main body of this Official Statement, shows a history of the City's assessed valuation.

Major Property Taxpayers. Table 5, in the main body of this Official Statement, shows the principal property taxpayers in the City as determined by their secured assessed valuations in Fiscal Year 2025-26.

Other Revenue

Use of Money and Property. This revenue refers to the resources and revenues a local government generates from investments, renting out public assets, and taxing private property. These are used to fund essential public services, infrastructure projects, and operational costs. In Fiscal Year 2024-25 the City received approximately $10,114,200.

State Gasoline Tax. This revenue is generated by a tax paid on gasoline within the City. In Fiscal Year 2024-25 the City received approximately $6,084,725.

Other revenue consists of the following miscellaneous items: cardroom tax, transient occupancy taxes, and franchise taxes.

Employee Relations

There are approximately 281 full time equivalent employees of the City, represented by formal labor organizations and not represented groups. The City has never experienced a work stoppage and believes its relationship with its employees is good.

Risk Management

The City participates in the PLAN JPA, a joint powers authority established to provide liability insurance coverage, claims, risk management, and legal defense to its participating members. PLAN JPA provides $5,000,000 per occurrence of general liability and automobile coverage, $25,000,000 excess liability coverage per occurrence, $5,000,000 of catastrophic liability coverage, and is responsible for paying the claims in excess of the City's $100,000 self-insurance retention. PLAN JPA also provides for property coverage up to $1 billion per occurrence subject to lower categorical sub-limits in excess of the City's self-insurance retention of $5,000 or property and vehicle loss.

The retained earnings/net position of the Self-Insurance Fund, which is categorized as part of Governmental Activities, represent amounts set aside for possible additional losses after providing for actuarially determined liabilities for claims including claims adjustment expenses.

No claim settlement exceeded either this self-insured amount or the insurance coverage for any of the past three years. As of June 30, 2025, claims payable are as follows:

Claims payable June 30, 2024	$5,600,000
Changes to estimated claims liability	2,470,607
Claims paid	(1,456,607)
Claims payable June 30, 2025	$6,614,000
Current portion	$1,623,000

See Note 7 in the City's Fiscal Year 2024-25 audited financial statements, which are attached to this Official Statement as APPENDIX B, for additional information about the City's risk management practices.

Employee Retirement System

*This caption contains certain information relating to California Public Employees' Retirement System ("**CalPERS**"). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City has not independently verified the information provided by CalPERS and makes no representations and expresses no opinion as to the accuracy of the information provided by CalPERS.*

The audited financial statements of CalPERS are available on its Internet website at www.calpers.ca.gov. The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by reference in this Official Statement. Neither the City nor its agents can guarantee the accuracy of such information. Actuarial assessments are "forward-looking" statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or may be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

Plan Description. All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the "**Plan**") administered by California Public Employees' Retirement System ("**CalPERS**"). The Plan consists of a Miscellaneous Plan (the "**Miscellaneous Plan**"), agent multiple-employer defined benefit pension plan administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Miscellaneous Plan are established by State statute and the City's resolution.

Additionally, The CalPERS Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool and a safety risk pool. CalPERS Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. The City sponsors two rate plans (two safety), (together, the "**Safety Plans**"). 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 plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Miscellaneous Plan's provisions and benefits in effect as of June 30, 2025, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to Jan. 1, 2013	On or after Jan. 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-67	52-67
Monthly benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	12.220%	11.860%
Required UAL payment	$4,736,567	$0

Source: City of San Bruno.

The Safety Plan's provisions and benefits in effect as of June 30, 2025, are summarized as follows:

	Safety	
Hire Date	Prior to Jan. 1, 2013	On or after Jan. 1, 2013
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	50-57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	13.0%
Required employer contribution rates	27.320%	13.760%
Required UAL payment	$5,108,978	$26,311

Source: City of San Bruno.

Employees Covered. At the measurement date June 30, 2024, for the Miscellaneous Plan, there were 306 Inactive employees or beneficiaries currently receiving benefits, 219 Inactive employees entitled to but not yet receiving benefits, and 160 active employees.

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 measurement period ended June 30, 2024, contributions to the Safety Plan were $7,350,579.

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 accrued liability. The dollar amounts are billed on a monthly basis. See "–Actions Taken by CalPERS Related to Discount Rate and Other Assumptions" below. The City's required contribution for the unfunded liability for the Safety Plan was $4,337,977 in fiscal year 2025.

***Actions Taken by CalPERS Related to Discount Rate and Other Assumptions*.** In 2013, the CalPERS' Board of Administration (the "**Board of Administration**") approved a recommendation to change the CalPERS amortization and smoothing policies. In 2018, the Board of Administration voted to shorten the period over which CalPERS will amortize actuarial gains and losses from 30 years to 20 years for new pension liabilities. In 2014, the Board of Administration approved new demographic actuarial assumptions based on a 2013 study of recent experience. The largest impact, applying to all benefit groups, is a new 20-year mortality projection reflecting longer life expectancies and that longevity will continue to increase. Because retirement benefits will be paid out for more years, the cost of those benefits will increase as a result. In 2015, the Board of Administration adopted a funding risk mitigation policy intended to incrementally lower its discount rate – its assumed rate of investment return – in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In 2016, the Board of Administration voted to lower its discount rate for local agencies per the following schedule:

Fiscal Year	Discount Rate
2018-19	7.375%
2019-20	7.250
2020-21	7.000

On July 12, 2021, CalPERS announced it had achieved a preliminary investment return of 21.3% for the 12-month period ending June 30, 2021. Under the Funding Risk Mitigation Policy approved by the CalPERS Board of Administration in 2015, the double-digit return triggered a November 2021 reduction in the discount rate from 7.00% to 6.80%.

Lowering the discount rate means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under PEPRA will also see their contribution rates rise. PEPRA included certain other provisions to try to minimize pension costs for covered employees. The three-year reduction of the discount rate will result in average employer rate increases of about 1 percent to 3 percent of normal cost as a percent of payroll for most miscellaneous retirement plans, and a 2 percent to 5 percent increase for most safety plans. Additionally, many CalPERS employers will see a 30 to 40 percent increase in their current unfunded accrued liability payments. These payments are made to amortize unfunded liabilities over 20 years to bring the pension fund to a fully funded status over the long-term.

Net Pension Liability. The City's net pension liability for the Miscellaneous Plan and Safety Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Miscellaneous Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. As of June 30, 2025, the City reported net pension liability for its proportionate share of the net pension liability of the Safety Plan of $65,677,173. For additional details see Note 8 in APPENDIX B.

Pension Expense. For the fiscal year ended June 30, 2025, the City recognized pension expense of $8,838,445 for the Miscellaneous Plan and $13,106,681 for the Safety Plan.

Other Post-Employment Benefits (OPEB)

Plan Description. The City contracts with the Teamsters Local #856 Health and Welfare Trust Fund to provide health benefits to both active and retired employees as a defined benefit plan. The City provides no direct financial contribution towards retiree health benefits; however, due to retirees and active employees being insured in the same pool, it indirectly subsidizes their premiums through payments for current employees.

Eligibility. Employees (and their dependents) are eligible for retiree health benefits if they retire from the City on or after age 55 with at least 10 years of service (with 12 continuous months prior to date of retirement) and are eligible for a CalPERS pension. Membership of the plan consisted of the following at June 30, 2025:

Current Retirees	105
Active Employees	242
Total	**347**

Funding Policy. The Teamsters Local #856 Health and Welfare Trust Fund determines the contribution requirements of the City. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2024-25 the City's actual contribution to the Teamsters Local #856 Health and Welfare Fund was $7,986,827, which includes the calculated benefit cost for the City's retirees and the cost of implicit subsidies where applicable.

Annual OPEB Cost and Net OPEB Liability. The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City does not record a net OPEB liability due to the inability to obtain information from the Teamsters Local #856 Health and Welfare Trust Fund in order to measure the liability.

Long-Term General Fund Obligations

The following table is a summary of changes in long-term obligations of the City's general fund for the fiscal year ended June 30, 2025.

Governmental Activities	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
2013 Pension Obligation Bond	$3,265,000	--	$(1,045,000)	$2,220,000	$1,90,000
Discount on POBs	(58,554)	--	19,518	(39,036)	--
Total Bonds	**$3,206,446**	**--**	**$(1,025,482)**	**$2,180,964**	**$1,090,000**
Direct Borrowings:					
2022 Fire Pumper Trucks	1,426,436	--	$(251,962)	$1,174,474	$151,531
SBITA Liability	425,872	--	(145,064)	280,808	137,685
Total Direct Borrowing	**$1,852,308**	**--**	**$(397,026)**	**$1,455,282**	**$289,216**
Total Governmental Activities	**$5,058,754**	**--**	**$1,422,508**	**$3,636,246**	**$1,379,216**

Investment Policies and Procedures

The City invests its funds in accordance with the City's Investment Policy (the "**Investment Policy**"), which is subject to annual review and approval by the City Council. The purpose of the Investment Policy is to establish the investment goals of safety, liquidity, and yield (in that order). The Investment Policy complies with the provisions of the California Government Code, Sections 53600 through 53659 (the authority governing investments for municipal governments in the State). The Investment Policy limits the City to investments authorized by State law (Sections 53601 et sec). In addition, the Investment Policy establishes further guidelines.

It is the policy of the City to invest public funds in a prudent manner which will provide the highest yield consistent with the maximum security and preservation of invested principal, while meeting the daily cash flow demands of the City, and conforming to all applicable federal, state and local statutes governing the investment of public funds.

Employment

The unemployment rate in the San Francisco-San Mateo-Redwood City MD was 3.7 percent in June 2026, up from a revised 3.3 percent in May 2026, and below the year-ago estimate of 4.1 percent. This compares with an unadjusted unemployment rate of 5.2 percent for California and 4.4 percent for the nation during the same period. The unemployment rate was 3.7 percent in San Francisco County, and 3.6 percent in San Mateo County.

The table below list employment by industry group for San Francisco-Redwood City-South San Francisco Metropolitan Statistical Area MSA for the years 2021 to 2025.

SAN FRANCISCO-REDWOOD CITY-SOUTH SAN FRANCISCO METROPOLITAN DIVISION
(SAN FRANCISCO AND SAN MATEO COUNTIES)
Civilian Labor Force, Employment and Unemployment
(March 2025 Benchmark)

	2021	2022	2023	2024	2025
Civilian Labor Force (1)	912,400	946,300	941,900	924,700	920,600
Employment	864,600	920,800	910,900	889,400	883,800
Unemployment	47,800	25,500	31,000	35,300	36,900
Unemployment Rate	5.2%	2.7%	3.3%	3.8%	4.0%
Wage and Salary Employment: (2)					
Agriculture	1,700	1,800	1,700	1,500	1,500
Mining, Logging and Construction	41,200	40,700	40,400	38,400	38,400
Manufacturing	36,900	37,600	34,400	31,500	30,900
Wholesale Trade	21,700	22,900	24,000	23,400	21,700
Retail Trade	66,400	66,600	64,300	62,100	59,800
Transportation, Warehousing, Utilities	47,300	47,900	45,400	45,800	47,400
Information	115,500	127,800	117,400	106,700	104,000
Financial Activities	82,000	85,300	81,400	77,200	75,700
Professional and Business Services	288,300	309,700	300,000	284,800	274,400
Educational and Health Services	145,800	150,600	154,800	159,100	163,400
Leisure and Hospitality	89,900	114,900	123,700	124,400	126,000
Other Services	33,700	37,300	37,100	37,800	37,600
Federal Government	16,300	15,300	14,100	14,000	13,500
State Government	42,400	48,400	50,700	52,800	51,700
Local Government	72,600	73,100	74,700	77,600	78,300
Total, All Industries (3)	1,101,800	1,179,900	1,164,100	1,137,200	1,124,300

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The table below lists the principal employers in the City for Fiscal Year 2024-25.

CITY OF SAN BRUNO
Principal Employers
Fiscal Year 2024-25

Employer	Employees	% of Total Employment[1]
YouTube, Inc.	2,535	10.30%
Walmart eCommerce Corp Office	2,165	8.80
Skyline College	549	2.23
Artichoke Joe's Casino	448	1.82
City of San Bruno	280	1.14
San Bruno Park School District	234	0.95
Target Store	175	0.71
Lowe's Home Improvement Store	170	0.69
Capuchino High School (SMUHSD)	132	0.54
Church of the Highlands	92	0.37
Totals	**6,780**	**27.56%**

(1) Based on estimated total employees in the City of 24,600, provided by EDD Labor Force Data.
Source: Annual Comprehensive Financial Report for the City of San Bruno for the Fiscal Year Ended June 30, 2025.

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total effective buying income for the City of San Bruno, the County of San Mateo, the State and the United States for the period 2022 through 2026.

CITY OF SAN BRUNO, COUNTY OF SAN MATEO,
STATE OF CALIFORNIA AND UNITED STATES
Effective Buying Income
2022 through 2026

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2022	City of San Bruno	$2,284,923	$106,932
	San Mateo County	48,351,364	120,425
	California	1,452,426,153	77,058
	United States	11,208,582,541	64,448
2023	City of San Bruno	$2,264,666	$109,919
	San Mateo County	46,729,979	123,273
	California	1,461,799,662	77,175
	United States	11,454,846,397	65,326
2024	City of San Bruno	$2,082,667	$104,743
	San Mateo County	44,702,740	119,658
	California	1,510,708,521	80,973
	United States	11,987,185,826	67,876
2025	City of San Bruno	$2,296,954	$112,529
	San Mateo County	46,888,892	125,548
	California	1,557,429,767	82,725
	United States	12,525,577,707	69,687
2026	City of San Bruno	$2,474,937	$117,932
	San Mateo County	50,221,251	135,193
	California	1,730,654,738	90,403
	United States	13,932,177,817	75,433

Source: Claritas, LLC.

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APPENDIX B

AUDITED FINANCIAL STATEMENT
FOR FISCAL YEAR ENDED JUNE 30, 2025

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City of San Bruno, California

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

(with comparative totals for the fiscal year ended June 30, 2024)

CITY OF SAN BRUNO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Prepared by:

Finance Department

City of San Bruno
Annual Comprehensive Financial Report
For the year ended June 30, 2025

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STATISTICAL SECTION (Continued)

Introductory Section

December 19, 2025

Honorable Mayor and Members of the City Council
City of San Bruno
San Bruno, CA 94066

Dear Mayor, Members of the City Council, and Residents of the City of San Bruno, California:

The Annual Comprehensive Financial Report (ACFR) of the City of San Bruno (City) for the fiscal year ended June 30, 2025, is herewith submitted. The City compiles and assists in the preparation of the ACFR covering the financial condition and results of operations for the City. Responsibility for the accuracy of the presented data, and the completeness and fairness of the presentation, including all footnotes and disclosures, rests with the management of the City. To the best of my knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the City.

FINANCIAL STATEMENT PRESENTATION

This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America for state and local governments as promulgated by the Government Accounting Standards Board (GASB) and includes all disclosures necessary for readers to gain an understanding of the financial activities of the City.

The ability to produce a timely and accurate ACFR depends upon the adequacy of the internal controls of the City. To provide a reasonable basis for making these representations, management of the City made a commitment to establish a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Management is responsible for establishing and maintaining adequate internal controls in the City. As such, management made a commitment to establish a framework designed to provide reasonable rather than absolute assurance regarding the achievement of objectives in the following categories: (a) efficiency and effectiveness of operations; (b) reliability of financial reporting, and (c) compliance with applicable laws and regulations. Reasonable assurance is defined as a high, but not absolute, level of assurance about whether the representations are free of material misstatement. Internal controls cannot provide absolute level of assurance due to certain inherent limitations, such as errors in judgment, collusion, or management override of controls.

The City's financial statements for the fiscal year ending June 30, 2025 have been audited by Badawi and Associates, a public accounting firm licensed and qualified to perform audits of local governments within the State of California. The audit was conducted 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.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies, including compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards issued by the United States Office of Management and Budget (OMB). The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis related to and involving the administration of Federal Awards. These reports are available in the City's separately issued Single Audit Report (issued in January 2026).

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A), and therefore, does not discuss the financial operations and results of the City, which are fully discussed in the MD&A. For that reason, this letter should be read in conjunction with the MD&A in order to gain better understanding of the financial conditions of the City.

This ACFR is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and the combined financial statements and schedules, the independent auditor's report on these financial statements and schedules, and management's discussion and analysis (MD&A). The statistical section includes selected financial and demographic information, generally presented on a multiyear basis.

The independent auditor's report is presented as the first component of the financial section of the ACFR, followed by the MD&A, which provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the Independent Auditor's Report.

CITY PROFILE & SERVICES

With a population currently estimated at 42.345, San Bruno is 216th largest city in California and the fifth largest city in San Mateo County. San Bruno is located on the San Francisco Peninsula, approximately 12 miles south of Downtown San Francisco. The city covers a total land area of 5.5 square miles, located between South San Francisco and Millbrae, and immediately adjacent to the San Francisco International Airport and Golden Gate National Cemetery. San Bruno serves as a major transportation center, with immediate access to major interstate freeways, including 101, 280 and 380; and commuter rail lines, such as Caltrain and Bay Area Rapid Transit (BART). San Bruno is adjacent to San Francisco International Airport, which can be accessed using BART or US 101. However, the other major San Francisco Bay Area airports (Oakland and San Jose) are accessible from San Bruno via BART, for the former, and Caltrain plus VTA services, for the latter. The community has more than 12,000 homes and residences of all types; and vast opportunities for commercial and industrial development. Major commercial facilities include Google, Amazon, Walmart, and Tanforan Crossing.

City Structure

San Bruno is a general law city incorporated in 1914 that operates under the council-manager form of government. Policy-making and legislative authorities are vested in the City Council consisting of the mayor and four other members. City Council members are elected at large for staggered four-year terms, and the Mayor is elected for a two-year term. The Mayor and City Council serve as the legislative and policy-making body of the City government and are responsible for passing ordinances, adopting the budget, appointing committees, and appointing the City Manager and City Attorney. The City Council adopts financial policies that provide guidance to critical areas such as budget administration and long-term planning, debt and cash management, fund balance/reserve levels, and risk management. The City Manager is responsible for the daily administration of the policies and ordinances of the City Council, providing overall direction to all City Departments, and appointing department directors.

City Services

The City provides a wide range of services to its residents including public safety protection through Police and Fire; the construction and maintenance of streets and infrastructure including water, wastewater, and stormwater services; community development through planning, building inspection, code enforcement, and redevelopment of key city areas; parks maintenance and full recreation services; library services; cable television and broadband internet services; and financial management and administration of the overall organization. Other entities within the city-incorporated area provide service to the City's population even though the City may not exercise oversight responsibility or fiscal control over such entities; these entities include school districts and other special districts. The City employs 281 full-time equivalent positions.

Financial Reporting Entity

For financial reporting purposes, the reporting entity of the City consists of: (1) the primary government; (2) one discretely presented component unit: San Bruno Public Financing Authority; and (3) two blended component units: Successor Agency to the San Bruno Redevelopment Agency Trust Fund, and the Recology San Bruno Custodial Fund, for which the City Council is financially accountable; therefore, these component unit activities are included in the accompanying basic financial statements. The San Bruno Community Foundation is considered a related organization because the City is not financially accountable for its operations. Furthermore, the City has an equity interest via participation in a number of joint ventures, which exist due to joint exercise of power agreements. The complete financial activities have not been included for these entities as the City Council is not financially accountable for them. The funds and accounts for all agencies, boards, and authorities that have been identified as part of the primary government or the component units have been included in the reporting entity. Further information on the reporting entity can be found in Note 1, on page 55 of the Notes to the Basic Financial Statements.

Budgetary Information

Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st. Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. Under Article XIII B of the California Constitution (the GANN Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year.

Budgetary Controls

The City utilizes budgetary controls designed to monitor compliance with expenditure limitations and legal provisions embodied in the annual operating and capital budget approved by the City Council. The annual operating and capital budget serves as the foundation for the City's financial planning and control. All departments and divisions are required to submit requests for appropriations to the City Manager. These requests are used as the starting point for developing a proposed operating and capital budget. The City Manager and Chief Financial Officer then present the proposed budget for the City Council's review. The City Council is required to hold a public hearing on the proposed budget and adopt a final budget no later than June 30, the last day of each fiscal year. Activities of all funds, except fiduciary funds, are included in the Annual Operating and Capital Budget. The City also adopts a five-year capital improvement program, appropriating the current year's expenditures in the annual budget. The level of control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The City Manager may authorize transfers of appropriations in the adopted budget within funds; however, any revisions which alter the total expenditures of any fund must be approved by the City Council. Quarterly financial reports are presented to the City Council to assess and evaluate budget variances during the year. Budget amendments requiring a change in appropriations require approval by the City Council and are submitted as needed during the course of the fiscal year. Budgets for the General, Major Special Revenue, and Capital Project Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP). The annual budget is assigned specific accounting attributes and is uploaded into the accounting system, thereby establishing the budget authority. The budget authority established in the accounting system of record is then reconciled to the levels of funding authorized by the Adopted Budget.

In addition, the City used encumbrance accounting as a means of strengthening budgetary controls and financial reporting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the accounting system for the City in order to reserve the portion of the related appropriation that will be needed for the expenditure to ensure that expenditures are within the budgeted amounts. Generally, encumbered amounts lapse at year-end in the General Fund but not in the Capital Project Funds or the Special Revenue Funds.

General Fund Reserves

The City shall establish reserve funds in accordance with the objectives listed above as outlined below. The funding levels outlined in this policy are goals and it is the City's intent to maintain its reserves at the prescribed levels; compliance with this policy will be evaluated annually upon final closing of the City's financial books for the fiscal year.

A. Contingency Reserve – The Contingency Reserve shall be established with a goal of maintaining a target fund balance of 10% of the budgeted General Fund expenditures and is intended to be used for non-fiscal emergencies and disasters. The Contingency Reserve can only be utilized through resolution of the City Council. While intended for non-financial emergencies or disasters, the Contingency Reserve can be utilized for other purposes at Council discretion.

B. Budget Stabilization Reserve – The Budget Stabilization Reserve is established to shield the General Fund from adverse economic fluctuations, ensuring minimal immediate impacts on service levels. This reserve aims to maintain a target balance of at least 20% of budgeted expenditures at the start of each fiscal year.

a. Use - Utilization of the Budget Stabilization Reserve will occur in response to budgeted revenue shortfalls stemming from economic volatility or unforeseen financial events. Reports on its use will be presented to the City Council through the mid-year financial report and/or during the budget adoption process for the ensuing fiscal year.

b. Replenishment - Should the Budget Stabilization Reserve be employed, causing it to dip below the 20% target, a strategic plan will be devised to restore the balance to the desired level. Depending on the situation, this restoration plan may span multiple fiscal years, aligning with the fund's role in a broader multi-year forecasting strategy. This strategy aims to fortify fiscal sustainability and uphold consistent service levels.

C. One-Time Revenue Reserve – The One-Time Revenue Reserve shall be established to set aside one-time revenues until the point at which point they can be appropriated by City Council for one-time uses. One-time revenues that have a legal restriction for their use or are otherwise dedicated for a particular purpose will be held in a separate special revenue fund. One-time revenues will be approved by Council, either through the budget adoption process or by a separate resolution, for inclusion into the One-Time Revenue Reserve. As a part of the annual budget process, this reserve will be reviewed along with existing unfunded capital projects for consideration of an appropriation from this reserve in the forthcoming budget. In general, the purpose of this reserve is for it to be used for projects and initiatives throughout the City that have no other identifiable funding source.

The balances in each reserve, as of June 30, 2025, are as follows:

- **Budget Stabilization Reserve** – $13.5 million
- **One Time Revenue Reserve** – $11.4 million
- **Contingency Reserve** – $10.8 million

City Accounting and Financial System

The accounting system of the City is organized and maintained on a fund basis. A fund is a separate, distinct accounting entity that has its own assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses. The City uses GAAP when determining the types of funds to establish and sound financial management practices when determining the number of funds within each fund type.

Measurement Focus and Basis of Accounting

The financial statements for the City are prepared in accordance with GAAP. Accordingly, the measurement focus and basis of accounting applied in the preparation of the government-wide financial statements and fund financial statements are as follows:

- The government-wide financial statements focus on all of the economic resources of the City and are prepared using the full accrual basis of accounting while the governmental fund financial statements focus primarily on the sources, uses, and balances of current financial resources and are prepared using the modified accrual basis of accounting.

- Proprietary funds, pension trust funds, Other Employee Benefits Trust Funds, and other fiduciary funds are accounted for in the same manner as business enterprises, which use the full accrual basis of accounting.

ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is best understood when it is considered within the broader perspective of the specific environment in the City of San Bruno.

Local Economy

San Bruno's geographic location, just north of Silicon Valley, significantly strengthens its economic position and makes the community highly attractive to both residents and businesses. The City sits at the intersection of three major highways—US 101, I-380, and I-280—providing convenient regional access from San Francisco to the north and Silicon Valley to the south, and is served by both BART and Caltrain, offering frequent rail connections within the Bay Area.

In addition, San Francisco International Airport (SFO) is immediately adjacent to San Bruno, giving local employers and residents direct access to national and international travel. This exceptional connectivity supports a diverse local economy that includes major technology and e-commerce employers such as YouTube and Walmart's e-commerce division, along with retail, hospitality, and service businesses serving residents and travelers. Ongoing private and public investment in areas such as Bayhill, The Crossing, and the Tanforan redevelopment further reinforce a resilient tax base and position the City for long-term economic growth.

Long-term Perspective

The City has managed its finances prudently, using a mix of structural and one-time budget savings to contain costs. Staff worked diligently to keep operating expenditures within budgeted levels so that the City did not need to draw on the Contingency Reserve or Budget Stabilization Reserve for operations. One-time needs have been funded from the One-Time Revenue Reserve as directed by the City Council. Even with this disciplined approach, the City must continue to adjust General Fund spending to resolve an ongoing structural deficit, where ongoing costs—particularly for personnel—are growing faster than recurring revenues.

Long-term financial planning provides the foundation for the City's budget decisions. The City recently updated its forecasting model to offer a more comprehensive and flexible five-year outlook for the General Fund and other key operating funds. This five-year forecast allows the City to better understand future trends, identify potential shortfalls early, and plan corrective actions. Although the General Fund structural budget gap has been significantly reduced compared to prior years, work remains to fully eliminate the gap and secure a more stable long-term fiscal outlook.

While San Bruno's underlying economy is viewed as stable and positive over the long term, current economic pressures on the General Fund must be addressed now to preserve that stability. The City faces the dual challenge of meeting community expectations for high-quality services while managing rising employee benefit and operating costs with limited revenue growth. Ongoing focus on structural balance, cost containment, and strategic investments will be essential to maintain service levels and safeguard the City's financial health over time.

Long Range Financial Planning: The City took proactive steps to evaluate its operations, including the establishment of special revenue funds to separate activities which are reasonably distinguishable from General Fund activities. Additionally, the City continues to refine its long-range financial planning tools as part of managing the annual budget for the General Fund, other key revenue funds such as internal service and enterprise funds, and the Capital Improvement Program. Utilizing a five-year approach has helped the City identify and plan accordingly to manage potential future structural deficits.

Long-term Debt Ratings: The City continues to maintain strong credit ratings on its debt issuances. In recent years, this has included a AAA rating from Standard & Poor's on the 2013 Taxable Pension Obligation Bonds and AA+ ratings on the 2017 Water Revenue Bonds, 2017 Wastewater Revenue Bonds, 2017 Water Revenue Bonds, and the 2019 Lease Revenue Bonds. Credit rating agencies place significant weight on the City's overall financial management, including the strength of its reserves, plans to address long-term liabilities, and adherence to adopted fiscal policies. If the City does not maintain these areas of fiscal discipline, future credit ratings could be downgraded, increasing borrowing costs and reducing financial flexibility.

Looking ahead, in FY 2025–26 the City anticipates issuing approximately $30 million in 2024 General Obligation Bonds to fund voter-approved infrastructure projects. The initial use of bond proceeds is expected to focus on major street reconstruction and the preliminary phases of planning and design for a new fire station, advancing core public safety and infrastructure priorities.

Debt Administration: The City has adopted a comprehensive debt management policy that guides the issuance and management of City debt. The policy includes establishing the legal debt limits (per State law this equates to 15% of assessed value of all real and personal property of the city); identifying the types of debt that can be issued and purposes for which debt proceeds can be used; establishing financial limits affecting debt issuance; and identifying guidelines regarding the structuring of debt. As of June 30, 2025, the City had total debt outstanding of $55.0 million, which complies with, and is significantly under, the current policy limits. This is further detailed in the accompanying Management Discussion and Analysis (MD&A) section of this document.

Long-term Planning: One of the financial policies noted above outlines the City's goals related to long-range financial forecasting. The City annually prepares and adopts a five-year financial plan for the General Fund as part of the operating budget. In addition, the City maintains long-range forecasting models for other key operating funds, including a capital improvement program plan. Each fiscal year, the City develops a five-year Capital Improvement Program (CIP) plan that details specific budgeted capital projects. Each of the projects is consistent with the overall goals and principles of the City Council and includes planned capital projects in the areas of parks, stormwater drainage, water and wastewater infrastructure, maintenance of streets, and City's facilities improvements. All these investments in the various areas reflect the City Council's commitment to maintain or improve the City and provide the citizens with the highest possible service and level of infrastructure possible given constrained funding.

Cash Management: The City's investment policy is conservative and is supported by the annual adoption by the City Council of a Statement of Investment Policy that defines the objectives and priorities of the investment program, which stresses the safety and liquidity of funds as the highest priority. The final priority is to achieve the maximum yield possible within the constraints and limits stated in the policy. As of June 30, 2025, the City manages and balances the City's pooled cash portfolio of $266.0 million market value, with the overall yield within policy guidelines.

MAJOR INITIATIVES & ACCOMPLISHMENTS

The San Bruno City Council established the following four critical priorities to move the community forward:
1. Community Communications and Engagement Program
2. Mitigation of Illegal Dumping and Maintenance of Street Medians
3. Retrofit of R.O. Streetlight System
4. Strategic Analysis of Major City-Owned Properties

The management team has aligned its service delivery objectives and program priorities through the budget planning process, and with City Council direction and the strategic Priorities. Some of the accomplishments and ongoing efforts in these Priority areas are discussed below.

Capital Improvement Program

One way through which the City implements the Strategic Priorities is through the Capital Improvement Program (CIP). The capital budget for FY25 totaled about $97.3 million, with approximately $130.7 million tentatively programmed for the entire five-year period from FY25 through FY29. The City's CIP Projects predominantly support the Infrastructure Improvement Priority. Despite the global economic challenges, the City made major steps forward in all areas of the City's operation that directly address the City Council's established long-term objectives. Just a few of the many accomplishments the City has achieved in the FY25 are the following:

- **We Love Paving!**: The We Love Paving! program launched with a new paving website that serves as a one-stop hub for information about San Bruno's paving management and pothole repair efforts. The site features City Council presentations, an overview of the paving strategy (including pavement condition index ratings and how projects are selected), educational videos, and an introduction to T.E.D., the City's new hot-mix pothole patch truck. Together, these tools highlight the City's commitment to restoring and rebuilding critical roadway infrastructure.

- **Centennial Plaza and Florida Avenue Park:** The opening of Centennial Plaza brings new life to downtown San Bruno by creating an inviting public space for community gatherings, outdoor dining, and local events, strengthening the vibrancy of the business district. The construction of Florida Avenue Park adds a much-needed neighborhood park with new recreational amenities, supporting health, wellness, and social connections for residents of all ages.

- **Regulated Output Streetlight Phase 1:** Completion Phase 1 of the Regulated Output Streetlight project replaced 150 older RO streetlights with modern solar streetlights in the Crestmoor and Rollingwood neighborhoods, addressing long-standing reliability issues and improving neighborhood lighting and safety.

- **Electric Vehicle (EV) Chargers at the City's Corporation Yard:** The City has expanded its electric vehicle infrastructure at the Corporation Yard by securing grants from Peninsula Clean Energy and PG&E to install new EV chargers and support the transition to a zero-emission fleet. Additional chargers have also been installed at key locations across the City to support both current and future EV use.

- **Opening of the Recreation and Aquatic Center (RAC):** The new San Bruno Recreation and Aquatic Center provides a modern, inclusive space for fitness, aquatics, wellness, and community programs, significantly enhancing the community's quality of life. The RAC offers accessible recreational opportunities for residents of all ages and has been recognized with 2024 Outstanding Architectural Engineering Project awards from both the San Francisco Section and Region 9 of the American Society of Civil Engineers, as well as a 2025 "Best Projects" honor from industry publications.

Economic Development

Another application of the City's Strategic Priorities is to encourage economic development that supports the overall community and leverages the City's desirable transit access with major public transit and north-south freeway interchanges, as well as the City's proximity to San Francisco International Airport. The following notable economic development activity occurred in FY25:

- **Five-Year Long-Range Planning Strategy**: In FY25, the City launched a five-year long-range planning effort, including three joint City Council and Planning Commission meetings. These meetings outlined the overall strategy and provided updates on key initiatives such as the Tanforan Redevelopment, Housing Element certification and implementation, the Metropolitan Transportation Commission's Transit-Oriented Communities (TOC) compliance plan, the Climate Action Plan, the Safety Element Update, the TCP Financial Feasibility Study, and the Environmental Justice and Open Space Elements. Together, these efforts are intended to support and amplify economic development in San Bruno.

- **Bayhill Specific Plan & YouTube Campus Development**: The Bayhill Office Park is home to two of San Bruno's largest employers, Walmart.com and YouTube. The Bayhill Specific Plan envisions additional office space, a private multi-modal transportation hub, and a housing overlay to support long-term growth. In October 2022, the City received approximately $55 million in building, plumbing, plan check, impact, affordable housing, and community benefit fees related to Phases 1 and 2 of the YouTube campus expansion. The YouTube development plan is Under Phase 1 with construction of about 440,000 square feet of new office space on existing surface parking lots next to the buildings at 900 and 1000 Cherry Avenue, along with associated circulation and site improvements in the Bayhill area.

- **New Auto Dealership at The Crossing**: In 2020, Cardinale Auto Group proposed a new Hyundai and Genesis dealership on a City-owned vacant lot at The Crossing. The project has been approved and is under construction, with opening anticipated in FY 2026–27. Once operational, the dealership is expected to generate significant new sales tax revenue and increased property tax based on the improved assessed value.

- **Reimagining Tanforan**: In early 2022, Alexandria Real Estate Equities purchased the 44-acre Tanforan shopping center site. The "Reimagining Tanforan" vision is a modern, transit-oriented, mixed-use district with offices, hotels, retail, entertainment, and at least 1,000 new housing units. Early concept plans indicate substantial new property tax revenue from the increased assessed value. The City is actively working with the developer team on the timing and phasing of future redevelopment

Acknowledgments
The issuance of this report would not have been possible without the enthusiastic efforts of the entire Finance Department team, especially Esther Garibay, Jeff Lichtenstein, John Mercado, Yu-Chiao Chao, Kathy O'Malley, and Dana Liu; the many team members in other City departments who support fiscal operations; and the audit firm of Badawi & Associates. I also wish to recognize the commitment of the City Manager, the Mayor, and the City Council to upholding high standards and ensuring accountability as presented in this report.

Respectfully submitted,

Nick Pegueros
Administrative Services Director & Chief Financial Officer

Elected and Appointed Officials

As of June 30, 2025

City Council

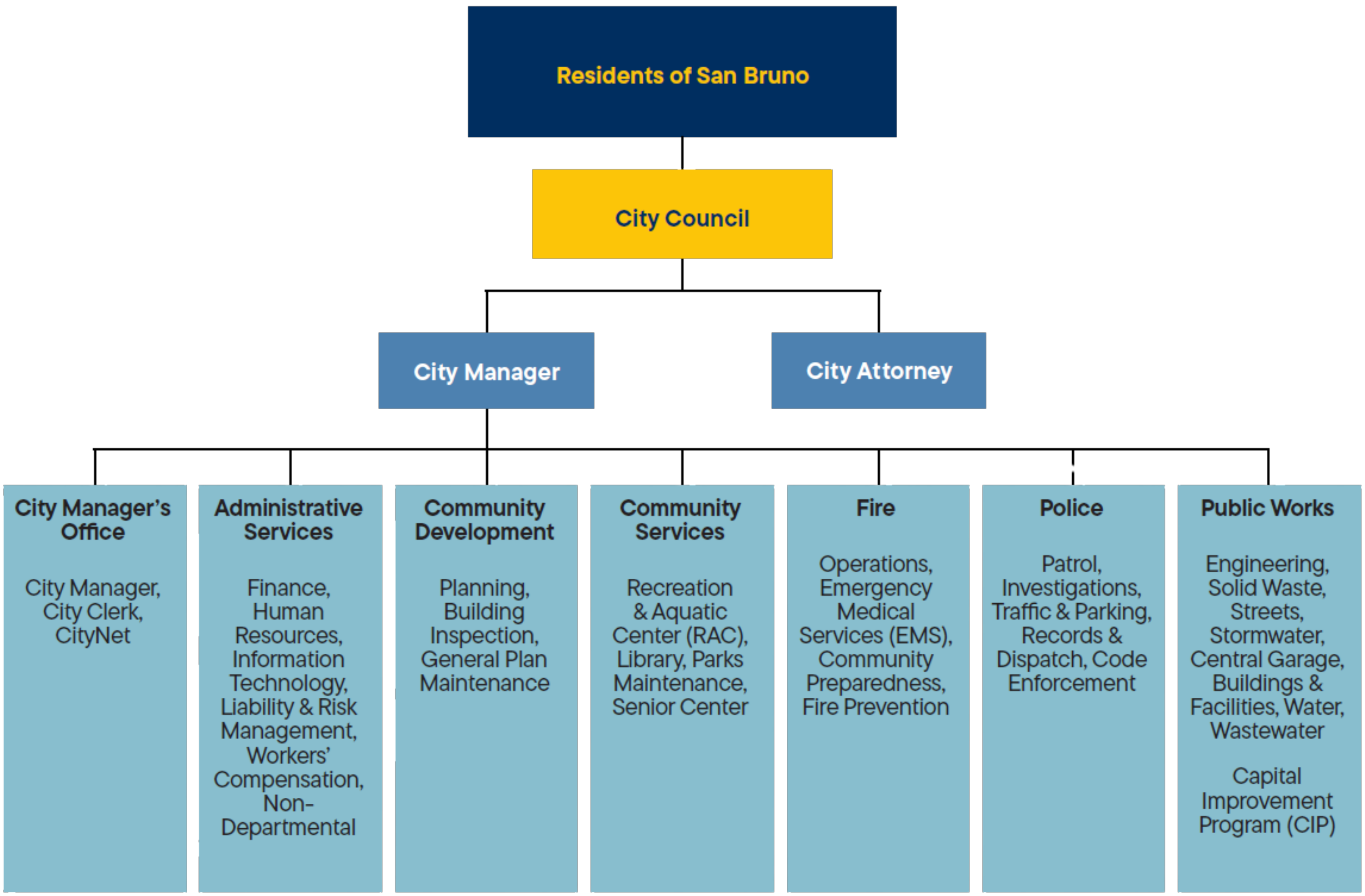
Rico E. Medina, Mayor
Marty Medina, Vice Mayor, District 4
Sandy Alvarez, Council member, District 1
Tom Hamilton, Council member, District 2
Michael Salazar, Council member, District 3

City Council Appointed Officials

City Manager, Alex D. McIntyre
City Attorney, Trisha A. Ortiz - RWG Law

City Manager Appointed Officials

Administrative Services Director & CFO, Nick Pegueros
City Clerk, Lupita Huerta
CityNet Services Director, Sandeep Krishnamurthy
Community Development Director, Peter Gilli
Community Services Director, Travis Karlen
Fire Chief, Ari Delay
Police Chief, Matthew Lethin
Public Works Director, Matthew Lee, P.E.


Residents of San Bruno
City Council
City Manager
City Attorney
City Manager's Office
City Manager, City Clerk, CityNet
Administrative Services
Finance, Human Resources, Information Technology, Liability & Risk Management, Workers' Compensation, Non-Departmental
Community Development
Planning, Building Inspection, General Plan Maintenance
Community Services
Recreation & Aquatic Center (RAC), Library, Parks Maintenance, Senior Center
Fire
Operations, Emergency Medical Services (EMS), Community Preparedness, Fire Prevention
Police
Patrol, Investigations, Traffic & Parking, Records & Dispatch, Code Enforcement
Public Works
Engineering, Solid Waste, Streets, Stormwater, Central Garage, Buildings & Facilities, Water, Wastewater
Capital Improvement Program (CIP)

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Introductory Section

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BADAWI & ASSOCIATES
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Bruno (City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Address: 5901 Christie Avenue, Suite 307, Emeryville, CA 94608 • Phone: 510.768.8251 • Fax: 510.768.8249

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund, and major special revenue fund, and the required pension schedules on pages 7-22 and 103-113 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining General Fund statements and budgetary comparison schedules, combining Developer Agreements and Impact Fees Fund statements, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the Street Improvement Fund and the Parks and Facilities and Technology Capital Improvement Fund and nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining General Fund statements and budgetary comparison schedules, combining Developer Agreements and Impact Fees Fund statements, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the Street Improvement Fund and the Parks and Facilities and Technology Capital Improvement Fund and nonmajor governmental funds are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining General Fund statements and budgetary comparison schedules, combining Developer Agreements and Impact Fees statements, combining and individual nonmajor fund statements, and the budgetary comparison schedules for the Parks and Facilities and Technology Capital Improvement Fund and nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the Introductory and Statistical Sections included in the annual comprehensive financial report but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We have previously audited the City's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 5, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Badawi & Associates

Badawi & Associates, CPAs
Emeryville, California
December 19, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

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The Management's Discussion and Analysis (MD&A) provides an overview of the City of San Bruno's activities for the fiscal year ended June 30, 2025. The intent of this discussion and analysis is to present a full picture of the City's financial performance. Readers should review the discussion and analysis in conjunction with the basic financial statements, as well as the notes to the financial statements to enhance their overall understanding.

Financial Highlights for Fiscal Year 2024-25 (FY25)

Entity-wide:

- The City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources at June 30, 2025 by $373.5 million (net position). The City's net position increased $27.2 million, or 8.5%, from the previous fiscal year.
- The City's governmental activities program and general revenues (including net transfers) of $91.6 million exceeded expenses of $78.7million by $12.9 million, increasing net position to $189.1 million.
- The City's business-type activities program revenues and general revenues from the five enterprise operations of $57.7 million were greater than expenses of $43.4 million by $14.3 million, increased net position to $184.4 million.

Fund level:

- At the close of the fiscal year, the City's governmental funds reported combined fund balances of $133.4million, an increase of $2.1 million or 2% compared to the prior year. Of this amount, $2.9 million is non-spendable, $48.7 million is restricted, $0.7 million is committed, $30.8 million is assigned, and $50.3 million is unassigned.

- Revenues for governmental funds exceeded expenditure by $2.2 million. Tax revenue grew $3.7 million, or 7.9%, from the prior year. Expenditures for governmental funds reduced $7.0 million, or 7.3%, from the prior year mainly due to reduced capital outlay following the completion of the Recreation and Aquatics Center (RAC).

Detailed analysis can be found under the Government-wide Financial Analysis Section and Financial Analysis of the City's Funds Section

Overview of Financial Statements

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

Government-wide financial statements are designed to provide readers a broad overview of the City finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as an indicator of whether the financial position of the City is improving or deteriorating.

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

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

The government-wide financial statements can be found on pages 27-29 of this report.

Fund financial statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City maintains nineteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Developer Agreements and Impact Fees Fund, Street Improvement Capital Improvement Fund, and Parks and Facilities and Technology Capital Improvement Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combined statements in the Supplementary Information section of this report.

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

The governmental fund financial statements can be found on pages 44-49 of this report.

Proprietary funds. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for water, stormwater, wastewater, CityNet, and paid parking services. CityNet is a municipally owned and operated enterprise for cable television, internet, and other services.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central garage, self-insurance, technology development, and facilities maintenance activities. Because these services predominantly benefit governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for all of the City's proprietary funds as they are all considered to be major funds by the City. Conversely, the internal service fund is combined into a single, aggregated presentation in the proprietary financial statements. More detailed information for the internal service funds is provided in the form of combined statements elsewhere in the report.

The proprietary fund financial statements can be found on pages 44-49 of this report.

Fiduciary funds. Trust and custodial funds are fiduciary funds that account for assets held by the City in a purely custodial capacity. The reporting entity includes the Successor Agency to the San Bruno Redevelopment Agency Trust Fund as a result of the California Supreme Court decision on December 29, 2011 upholding ABx1 26, which eliminated all redevelopment agencies in California and created a process for winding down their operations. Fiduciary funds report a "balance sheet" referred to as a statement of fiduciary net position and an "income statement" referred to as a statement of changes in fiduciary net position.

The fiduciary fund financial statements can be found on pages 52-53 of this report.

Notes to the Basic Financial Statements. The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found starting on page 57 of this report.

Required and Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 107-117 of this report.

The combining statements referred to earlier in connection with non-major governmental funds and internal service and fiduciary funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found starting on page 122 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by $373.5 million at the close of FY25.

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	$ 150,770,891	$ 151,445,181	$ 135,260,531	$ 113,128,715	$ 286,031,422	$ 264,573,896
Capital assets, net	141,314,303	124,914,273	130,214,045	126,973,051	271,528,348	251,887,324
Other noncurrent assets	3,741,726	3,628,657	-	-	3,741,726	3,628,657
Total assets	295,826,920	279,988,111	265,474,576	240,101,766	561,301,496	520,089,877
Deferred outflow of resources	27,407,155	36,675,037	3,484,104	4,613,724	30,891,259	41,288,761
Current Liabilities	19,518,797	22,103,759	16,364,807	6,287,040	35,883,604	28,390,799
Noncurrent liabilities	113,142,057	115,251,246	68,179,974	71,011,198	181,322,031	186,262,444
Total liabilities	132,660,854	137,355,005	84,544,781	77,298,238	217,205,635	214,653,243
Deferred inflow of resources	1,440,060	2,566,282	-	8,608	1,440,060	2,574,890
Net Position						
Net investment in capital assets	139,859,021	123,061,965	79,019,144	73,473,142	218,878,165	196,535,107
Restricted	48,703,089	35,644,772	1,984,731	1,963,235	50,687,820	37,608,007
Unrestricted	571,051	18,035,124	103,410,024	91,972,267	103,981,075	110,007,391
Total Net Position	$ 189,133,161	$ 176,741,861	$ 184,413,899	$ 167,408,644	$ 373,547,060	$ 344,150,505

By far the largest portion of the City's net position reflects its investment in capital assets (e.g. land, infrastructure, buildings, machinery, equipment, and vehicles) less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets ($218.9 million) to provide services to its citizens. Consequently, these assets are not available for future spending. Although the City's 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 cannot be used to liquidate these liabilities.

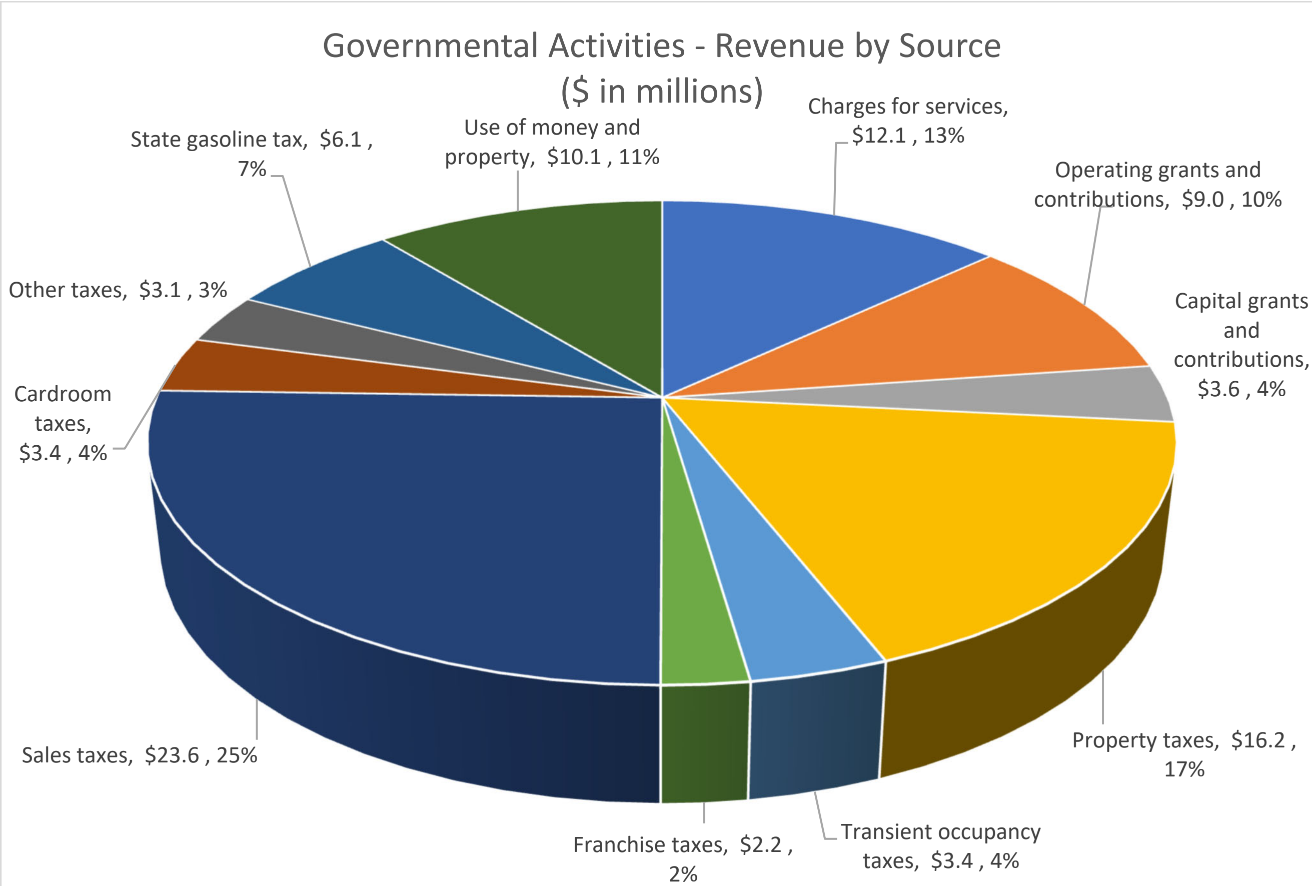
An additional portion of the City's net position, $50.7 million, represents resources that are subject to external restrictions on how the funds may be used, such as constructing specified capital projects, debt service, or other community programs. The remaining balance in unrestricted net position amounts to $104.0 million. This amount may be used at the City's discretion to meet ongoing obligations to citizens and creditors.

The City's overall net position increased by $29.4 million, or 8.5%, from the prior fiscal year. Key elements of these changes are as follows:

Statement of Activities

	Governmental activities		Business-type activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 12,107,465	$ 19,666,505	$ 53,383,403	$ 47,748,410	$ 65,490,868	$ 67,414,915
Operating grants and contributions	9,033,112	23,302,874	-	-	9,033,112	23,302,874
Capital grants and contributions	3,568,618	12,561,974	-	-	3,568,618	12,561,974
General revenues:						
Property taxes	16,171,524	15,417,048	-	-	16,171,524	15,417,048
Transient occupancy taxes	3,409,014	3,558,287	-	-	3,409,014	3,558,287
Franchise taxes	2,153,559	2,076,227	-	-	2,153,559	2,076,227
Sales taxes	23,611,601	20,818,065	-	-	23,611,601	20,818,065
Cardroom taxes	3,435,504	3,333,236	-	-	3,435,504	3,333,236
Other taxes	3,118,653	4,028,690	-	-	3,118,653	4,028,690
Intergovernmental, unrestricted	-	-			-	-
State gasoline tax	6,084,725	5,584,474	-	-	6,084,725	5,584,474
Use of money and property	10,114,200	11,237,201	3,166,235	2,767,893	13,280,435	14,005,094
Total revenues	92,807,975	121,584,581	56,549,638	50,516,303	149,357,613	172,100,884
Expenses						
General government	13,337,104	11,797,858	-	-	13,337,104	11,797,858
Public safety	40,082,100	40,661,541	-	-	40,082,100	40,661,541
Public works	2,626,085	2,586,715	-	-	2,626,085	2,586,715
Streets	4,701,644	9,943,745	-	-	4,701,644	9,943,745
Parks and recreation	10,515,903	7,262,037	-	-	10,515,903	7,262,037
Library	2,257,386	2,374,855	-	-	2,257,386	2,374,855
Community and economic development	5,053,073	3,591,682	-	-	5,053,073	3,591,682
Interest expense	172,985	217,131	-	-	172,985	217,131
Water	-	-	15,494,286	16,288,579	15,494,286	16,288,579
Stormwater	-	-	3,006,089	2,262,271	3,006,089	2,262,271
Wastewater	-	-	16,605,600	17,532,875	16,605,600	17,532,875
CityNet	-	-	7,648,299	8,717,915	7,648,299	8,717,915
Parking	-	-	638,891	432,177		
Total expenses	78,746,280	78,435,564	43,393,165	45,233,817	122,139,445	123,669,381
Increase (decrease) in net position before transfers	14,061,695	43,149,017	13,156,473	5,282,486	27,218,168	48,431,503
Transfers	(1,158,415)	(25,286,218)	1,158,415	25,286,218	-	-
Increase (decrease) in net position	12,903,280	17,862,799	14,314,888	30,568,704	27,218,168	48,431,503
Net position - beginning of year	176,741,862	158,879,062	167,408,644	134,748,617	344,150,506	293,627,679
Restatements	(511,981)	-	2,690,367	2,091,323	2,690,367	2,091,323
Net position - beginning, as restated	176,229,881	158,879,062	170,099,011	136,839,940	346,328,892	295,719,002
Net position - ending	$ 189,133,161	$ 176,741,861	$ 184,413,899	$ 167,408,644	$ 373,547,060	$ 344,150,505

Governmental Activities



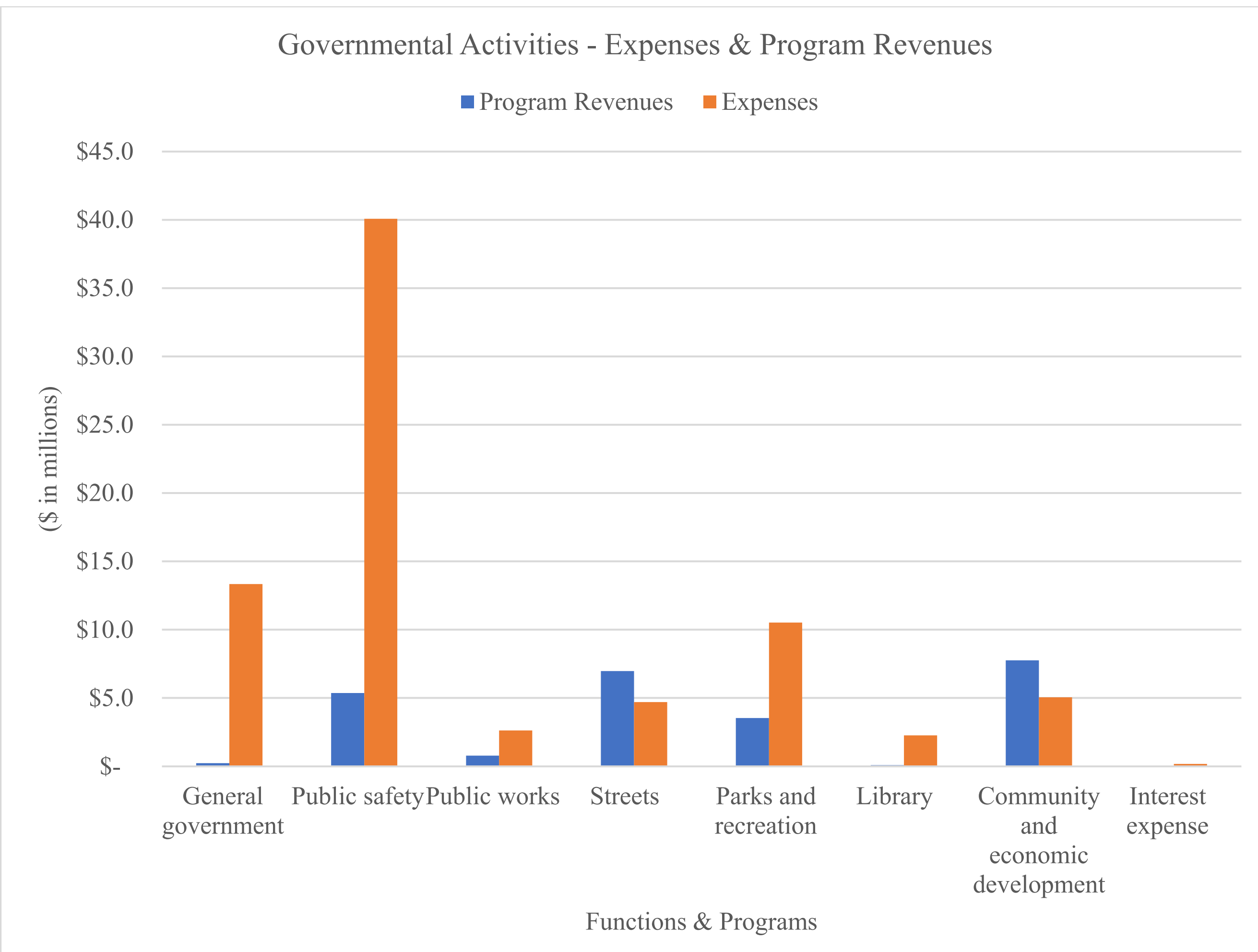
Governmental activities increased the City's net position by $12.9 million, with a total net position of $189.1 million at the end of the fiscal year. Overall, revenues experienced a $25.2 million decrease as compared to prior year, driven largely by a $14.2 million decrease in operating grants and contributions and an $8.9 million decrease in capital grants and contributions. These reductions in revenues were expected due to the end of American Rescue Plan Act funding in fiscal year 2024 and the one-time community benefit contribution received in the previous fiscal year to support the City's transportation infrastructure improvements and municipal services. In addition, the City received less construction grant funding from the San Bruno Community Foundation this fiscal year as the RAC was completed & opened. Taxes were largely flat, increasing $2.7 million, or 5.5% from prior year, with most of the growth concentrated in one area. Sales taxes increased by $2.8 million, 13.5%, over prior year due to tax-sharing agreements. The second-highest increase was in property taxes, which rose $0.8 million over prior year. This overall modest growth is consistent with expectations as the economy continues to stabilize and move further away from the pandemic.

The cost of all governmental activities this year was $78.7 million. As shown in the statement of activities, the amount that taxpayers paid for these activities with general revenues was $58.0 million because some of the costs were paid by those specifically benefiting from the programs ($12.1 million), and by other governments and organizations subsidizing programs with grants and contributions for operations and capital improvement ($12.6 million). The higher expenditures in public safety activities are primarily due to actuarial adjustments within the safety risk pool pension plan.

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

	Operating Revenues		Operating Expenses		Net Revenue (Expense) and Change in Net Position	
Governmental activities	2025	2024	2025	2024	2025	2024
General government	$ 233,924	$ 12,595,748	$ 13,337,104	$ 11,797,858	$ (13,103,180)	$ 797,890
Public safety	5,361,706	5,255,346	40,082,100	40,661,541	(34,720,394)	(35,406,195)
Public works	781,350	606,079	2,626,085	2,586,715	(1,844,735)	(1,980,636)
Streets	7,066,343	4,695,935	4,701,644	9,943,745	2,364,699	(5,247,810)
Parks and recreation	3,530,094	13,214,973	10,515,903	7,262,037	(6,985,809)	5,952,936
Library	80,185	60,343	2,257,386	2,374,855	(2,177,201)	(2,314,512)
Community and economic development	7,655,593	19,102,929	5,053,073	3,591,682	2,602,520	15,511,247
Interest expense	-	-	172,985	217,131	(172,985)	(217,131)
Total governmental activities	$ 24,709,195	$ 55,531,353	$ 78,746,280	$ 78,435,564	$ (54,037,085)	$ (22,904,211)

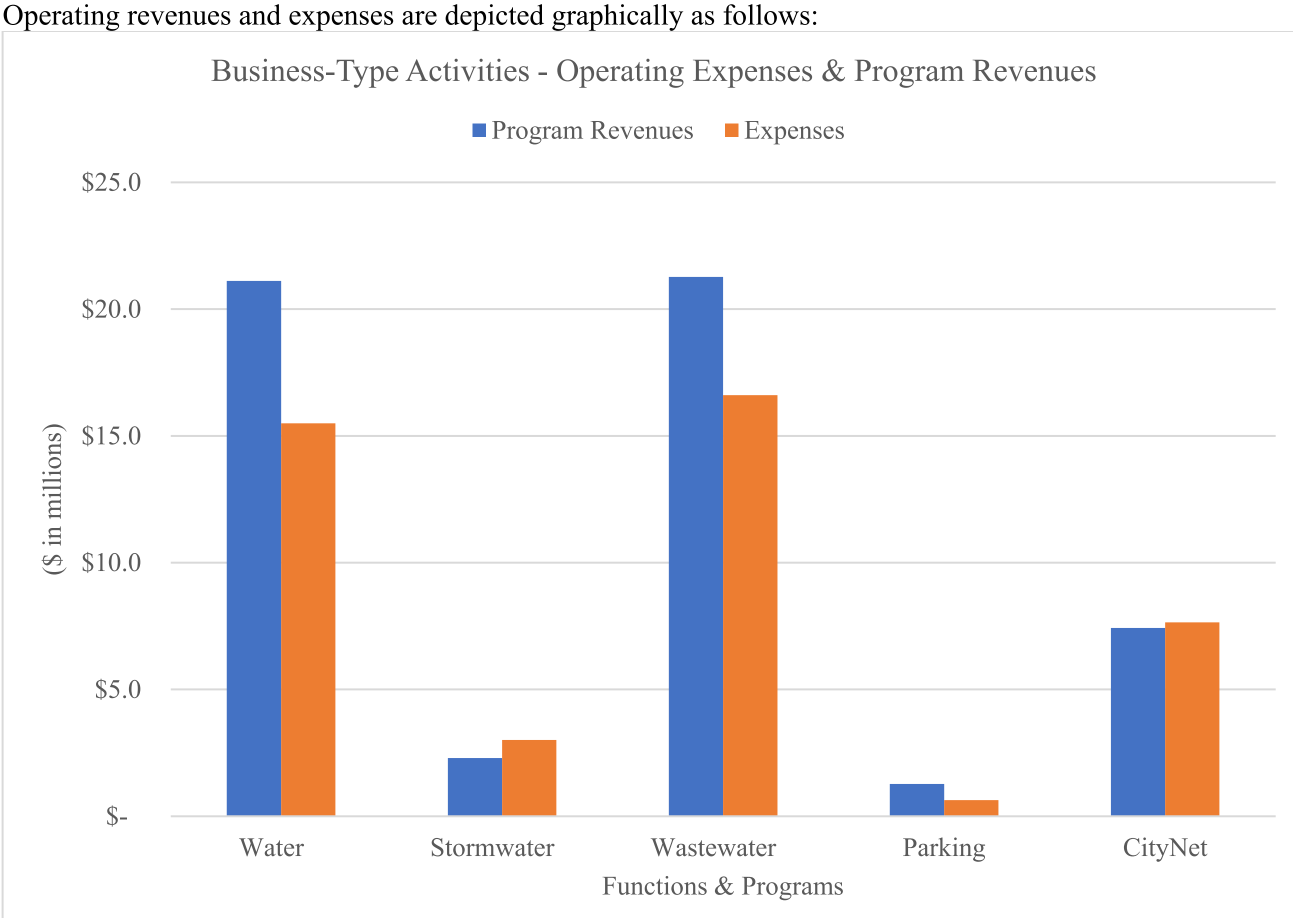
Operating resources (program revenues) and operating expenses are depicted graphically as follows:



Business-type Activities

The City's business-type activities include water, stormwater, wastewater, parking and CityNet. While water and wastewater are true enterprise funds that pay for their services through user fees, both stormwater and CityNet require funding from the General Fund, as user fees do not cover all operating or capital costs. The parking fund, established in FY24, currently carries a $2.0 million advance from the General Fund to support its operations. In the current fiscal year, the Parking program generated sufficient revenue to cover its expenditure and is expected to continue generating revenues that will allow it to recover the enterprise's startup costs over time. The results for the current fiscal year were positive in that overall net position increased to reach an ending balance of $184.4 million. The total increase in net position for business-type activities was $14.3 million. The Water and Wastewater Funds continue to directly contribute to the growth. Charges for services of $21.1 million and $21.3 million covered expenses of $15.5 million and $16.6 million, respectively. The Stormwater Fund charges for services of $2.3 million is insufficient to support expenses of $3.0 million. A transfer of $0.9 million was made from the Emergency Disaster Reserve Fund to support stormwater operations. CityNet charges for services of $7.4 million also continued to be insufficient to support expenses of $7.7 million. Parking charges for service of $1.3 million covered expenses of $0.6 million. Total resources available during the year to finance business-type activities were $57.7 million consisting of program revenues, investment income, and transfers in. Total business-type activities expenses during the year were $43.4 million including operating expenses and interest expense.

Operating revenues and expenses are depicted graphically as follows:



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

	Program Revenues		Program Expenses		Net Revenue (Expense) and Change in Net Position	
Business-type activities	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Water	$ 21,114,773	$ 17,954,725	$ 15,494,286	$ 16,288,579	$ 5,620,487	$ 1,666,146
Stormwater	2,297,764	2,657,101	3,006,089	2,262,271	(708,325)	394,830
Wastewater	21,271,559	18,543,371	16,605,600	17,532,875	4,665,959	1,010,496
CityNet	7,428,676	8,432,677	7,648,299	8,717,915	(219,623)	(285,238)
Parking	1,270,631	160,536	638,891	432,177	631,740	(271,641)
Total business-type activities	$ 53,383,403	$ 47,748,410	$ 43,393,165	$ 45,233,817	$ 9,990,238	$ 2,514,593

Financial Analysis of the City's Funds

Governmental Funds:

The City uses fund accounting, which focuses on current financial resources affecting near-term liquidity. It is also a management tool for segregating certain resources for specific activities or objectives in accordance with special regulations, restrictions, or limitations.

At June 30, 2025, governmental funds reported combined fund balances of $133.4 million, an increase of $2.1 million, 1.6% over the prior year. Of this amount, $2.9 million is non-spendable $2.0 million is non-spendable due to funds being advanced to Parking Fund services as a loan. The City completed the sale of CityNet to Comcast in 2025 and cable operations began transitioning over to the Comcast network with completion in December 2025. The remainder of the fund balance is either restricted, committed, assigned, or unassigned to indicate that it is (1) restricted for particular purposes, $48.7 million; or (2) committed for a particular purpose, $0.7 million; or (3) assigned for particular purposes, $30.8 million; or (4) unassigned and available at the City's discretion, $50.3 million

Analysis of Major Funds

The General Fund is the main operating fund of the City. For financial statement presentation purposes, the General Fund includes the operating fund, reserve funds and Measure G fund. Revenues totaled $72.5 million, which is a decrease of $13.6 million, 15.8%, from the prior year. The decrease is mainly attributable to licenses and permits, which went down by 5.6 million, and intergovernmental and grants, which went down by $4.3 million. While the remaining decrease is a combination of increases and decreases from different revenue categories. The license and permits revenue decrease is mainly attributable to the Community Development department's revenues being moved to a special revenue fund that was established this current fiscal year for all the department's transactions. The decrease in Intergovernmental and grants revenue is due to the recognition of the American Rescue Plan Act grant in prior fiscal year that is not applicable this year. Expenditures totaled $56.4 million, which decreased by $6.2 million, 9.9%, from the prior year. The decrease is mainly attributed to the Community Development department's expenditures being moved to a special revenue fund that was established this current fiscal year for all the departments' transactions.

The Developer Agreement and Impact Fees Fund accounts for funds from new developments to pay for public facilities and infrastructure needed to accommodate growth in the City. Revenues decreased by $11.2 million, a drop to more typical levels after the prior fiscal year's major development activities. Expenditures and transfers out decreased by $29.7 million, mainly due to prior fiscal year's $23.7 million transferred to CityNet and Stormwater to clear the fund deficit that were not applicable in the current fiscal year. The remainder of the decrease is due to reduction of funds used for various Capital Improvement Projects. Fund balance decreased by $0.3 million, resulting in an ending fund balance of $35.6 million. This fund balance will be used in future years to enable projects which mitigate the effects of growth on the community.

The Street Improvement Capital Project Fund accounts for funds expended for transportation infrastructure such as street rehabilitation, streetlights, traffic signals and street medians. Revenue and transfers in were $8.6 million, which is a decrease of $1.6 million, 15.4% from the prior year. The decrease is mainly attributable to the reduction of the transfers in offset by increase of the intergovernmental and grants revenue. Expenditures and transfers out were $15.4, which is an increase of $4.5 million, 41.8% from the prior year which is attributable to the ramp up of spending for street capital improvement projects The fund balance at the end of the fiscal year is $7.4 million which is assigned for capital improvement projects.

Proprietary Funds:

The City's proprietary funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

Water Fund's net position rose by $7.3 million, reaching $83.8 million as of year-end, a significant improvement from the previous year's $2.9 million increase. The current year's growth is primarily attributable to the annual rate adjustment applied to water sales, as well as water capacity charges associated with affordable housing developments. To support the enterprise's long-term fiscal solvency, the City Council approved a five-year water rate plan, effective January 1, 2024.

Similarly, the Wastewater Fund reported a $6.4 million increase in net position, ending the year at $88.1 million. This is a significant increase compared to previous year's $2.1 million increase, which is largely driven by the sewer capacity charges for affordable housing developments. While these charges materially improved current-year results, they are nonrecurring in nature. To maintain the enterprise's fiscal sustainability, the City Council adopted a five-year wastewater rate plan effective January 1, 2023.

CityNet Fund:

As of June 30, 2025, the CityNet Fund had a net position of $1.5 million. The Fund has been experiencing annual operating losses, including losses of $246,476 in FY25 and $301,598 in the prior year. Given ongoing operating challenges and uncertainties regarding the Fund's ability to continue as a going concern, the City executed an agreement in March 2025 for Comcast to acquire the CityNet customer base. The full transition of the CityNet system is expected to close December 31, 2025.

General Fund Budgetary Highlights

The budget comparison information presented on page 107, as Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual shows the initial adopted and final budgets for the General Fund. In this financial statement, the General Fund is comprised of the General Operating fund, reserve funds, Measure G fund, and Developer Project Contributions fund.

Original Budget Compared to Final Budget:

There is no adjustment between original and final revenue estimates.

The most significant differences between original and final expenditure budgets were as follows:

Expenditures	Orig Budget	Final Budget	Variance	Percent Change
Parks and recreation	$4,801,076	$4,970,868	169,792	3.5%
Capital outlay	551,629	1,353,787	802,158	145.4%

Under the Parks and recreation category, the budget increase is primarily attributed to a professional service contract for a comprehensive parks assessment, which intended to build on the City's assets and foster community connections. In addition, the final budget reflects a multi-year facility maintenance service for the newly constructed Recreation and Aquatics center. Both contracts commenced in the prior fiscal year or span multiple fiscal years, and the related costs were previously encumbered through purchase orders rather than included in the original operating budget, resulting in an apparent year-over-year increase.

Within the Capital Outlay category, the budget increased to account for encumbrances from purchase orders submitted at the end of the prior fiscal year, which had not been included during the budget process.

Final Budget Compared to Actual Results:

The most significant differences between estimated and actual revenues were as follows:

Revenues	Final Budget	Actual Revenues	Variance	Percent Change
Taxes	$47,347,324	$48,923,037	1,575,713	3.3%
Charges for services	2,035,963	3,354,749	1,318,786	64.8%
Fines and forfeitures	1,620,152	937,116	(683,036)	-42.2%

The local economy has continued to strengthen in the post-COVID-19 period, resulting in higher-than-expected tax collections. The City experienced notable gains across its major revenue sources, including sales tax, property tax, and transient occupancy tax. The City's final budget for General Sales Tax is $29 million, whereas the amount received is $28 million. In addition, actual payments to Walmart under the local sales tax revenue-sharing agreement were $2.3 million lower than budgeted. The combined impact of these variances resulted in a net favorable budget variance of approximately $1.3 million.

The increase in actual revenues within the licenses and permits category is primarily attributable to Fire Strike Team reimbursement, which exceeded the final budget by approximately $1.1 million. Under the California Fire Assistance Agreement, the City's Fire department provides personnel and equipment to support major fires, disasters, and other statewide emergency incidents. Related costs are subsequently reimbursed to the City, resulting in higher-than-anticipated revenues for the fiscal year. Within the Fines and forfeitures category, the City increased the budget by $0.6 million in the current fiscal year in anticipation of higher citation revenue following the launch of the downtown parking program. The actual revenue did not materialize at the projected level; the City has adjusted the revenue estimates in the subsequent fiscal year to more accurately reflect expected financial performance.

The most significant differences between the final budget and actual expenditures were as follows:

Expenditures	Final Budget	Actual Expenditures	Variance	Percent Change
General government	$12,967,593	$11,599,685	1,367,908	10.5%
Public safety	33,623,840	33,109,212	514,628	1.5%
Streets	2,717,126	2,285,308	431,818	15.9%

In the General government category, $0.8 million was budgeted for contract City Attorney services and, during the year, a portion of legal costs was allocated to developer-funded/ capital projects and enterprise funds, thereby reducing the expenditure impact on the General Fund and generating savings of $0.15 million. There were also salary savings of $0.5 million in the administrative departments due to unfilled vacancies. The City had also budgeted $0.3 million for general government operational contingency, which remained unused at fiscal year-end. In the Public safety, the Fire department overtime expenditure exceeded budget estimates by approximately $0.8 million, primarily due to increased deployment through Cal Fire. These additional overtime costs are reimbursable by the State. The decrease in Streets expenditure is due to unfilled vacancies and contract services initiated near year-end, thus the expenditure doesn't reflect in the current fiscal year.

Cash Management

The City employs a pooled cash system (Reference Note 2 in the notes to the basic financial statements). To maintain flexibility in cash management under the pooled cash concept, the City invests the cash of all funds with maturities planned to coincide with cash needs. Idle cash is invested in eligible securities as defined by the California Government Code and further authorized by the City's Investment Policy. The goals of the City's Investment Policy are safety, liquidity, and yield in that order of priority.

Capital Assets

The capital assets of the City are those assets used in the performance of the City's functions, including infrastructure assets. At June 30, 2025, net capital assets of the governmental activities totaled $141.3 million. Depreciation on capital assets is recognized in the government-wide financial statements. During FY25, net capital assets for governmental activities increased by $16.4 million due to the construction of the RAC and additions in excess of depreciation of existing assets. For business-type activities, capital assets increased by $3.2 million to $130 million due to additions in excess of depreciation of existing assets. Detailed information about capital assets can be found in Note 4 to the financial statements.

	Governmental Activities		Business-Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	$ 3,249,087	$ 3,249,087	$ 576,842	$ 576,842	$ 3,825,929	$ 3,825,929
Construction in Progress	19,071,415	65,418,685	15,527,818	8,830,579	34,599,233	74,249,265
Infrastructure	46,319,843	44,356,477			46,319,843	44,356,477
Sewer Plant	-	-	25,795,088	27,102,678	25,795,088	27,102,678
Buildings & Structures	66,933,584	6,284,705	81,963,254	84,843,457	148,896,838	91,128,162
Machinery & Equipment	5,519,351	5,205,241	6,351,044	5,619,493	11,870,395	10,824,734
Right to use-Software	221,024	400,079	-	-	221,024	400,079
Total	$ 141,314,304	$ 124,914,274	$ 130,214,046	$ 126,973,050	$ 271,528,349	$ 251,887,324

Debt Administration

The City and Successor Agency to the Former Redevelopment Agency debt obligations are in the form of capital leases, pension obligation bond, loans payable to South San Francisco, and revenue bonds. A summary of the City's outstanding debt follows:

	Summary of Long-Term Debt	
	2025	**2024**
Governmental Activities		
2022 Financed Purchased Obligation	1,174,474	1,426,436
2013 Pension Obligation Bond	2,180,964	3,206,446
Subscription-Based Information Technology Agreement (SBITA) Liability	280,808	425,872
Subtotal Government Activities Debt	3,636,246	5,058,754
Business-Type Activities		
Due to South San Francisco - 2007 Loan	447,288	883,668
Due to South San Francisco - 2024 Loan	12,614,464	13,203,488
2013 Wastewater Revenue Refunding Bond	3,748,004	4,130,879
2017 Wastewater Revenue Bond	23,358,280	23,970,813
2017 Water Revenue Bond	11,085,760	11,377,315
Subtotal Business-Type Activities Debt	51,253,796	53,566,163
Fiduciary Activities		
2019 Lease Revenue Bonds	2,939,532	3,366,954
Subtotal Fiduciary Activities	2,939,532	3,340,954
Total Long-Term Debt Obligations	$ 57,829,574	$ 61,965,872

Additional information about long-term debt can be found in Note 5 to the financial statements.

Economic Factors Impacting City's Finances

The City Council and management considered the following economic factors in preparation of the fiscal year 2025-26 budget:

General Fund revenues

- Total General Fund revenues of $68.0 million projected for FY26, a modest increase as compared to the FY25 Amended Budget amounts.
- Property Taxes – San Bruno only receives about 12 ½ cents from every property tax dollar paid in San Bruno. An additional 2 cents of property tax revenue has come to the City in recent years from the Educational Revenue Augmentation Fund, or ERAF, but this is not a consistent or reliable revenue source to fund on-going operations in the long term. The remainder of property taxes paid by property owners in the City goes

to San Mateo County, school districts, and special districts. The housing industry and home sales boomed when more and more people worked from home because of pandemic induced changes in work-from-home patterns. In FY26, secured property tax revenue is expected to increase by a reduced amount, 7%, over the prior fiscal year budget in recognition of the positive economic factors continue to support healthy growth.

- Sales Tax of 9.875% is assessed on every taxable sale in San Bruno. Of the 9.875%, the City receives 1.5% or approximately 15% of the total tax. For FY26 total Sales Tax revenue is anticipated to increase by 3.7% over prior year. The planned redevelopment of Tanforan Mall will cause reduced sales in the area beginning in FY26 or FY27 depending on redevelopment plans which include residential, retail, and life-sciences commercial uses. Of considerable concern for sales taxes is the City's exposure to California Department of Tax and Fee Administration's (CDTFA) challenge to a tax share agreement with Walmart.com. See Note 11.
- Transient Occupancy Tax (TOT) in the amount of 14% is collected on the cost of each room rental at each of the 12 lodging establishments in the City. Occupancy in hotels declined by more than 75% shortly after the coronavirus outbreak. The hospitality industry is on the mend, reaching pre-pandemic levels in FY25. Staff projects that TOT revenue has largely recovered and future growth will remain largely flat into FY26.
- Business license tax is an annual tax based on prior year gross receipts. The pandemic devastated many sectors of San Bruno's business community and some businesses reported lower gross receipts for multiple years following. In the recent past, businesses faced strong headwinds with escalating inflation, disrupted supply chains and tight labor markets. However, as inflation begins to ease, this category is expected to rebound and staff therefore increased business license expectations to exceed pre-pandemic levels.
- Departmental Revenue – is projected to increase by approximately $1.5 million over FY25 estimates, despite the transfer of several operating components to Special Revenue Funds. City fees and fully burdened hourly rates effective July 1, 2025 were updated based on the actual change in cost of providing services over the February-to-February change in CPI-W for the San Francisco Bay Area. When reviewing historical revenue, it is important to note that the Community Development Department and the RAC were moved to special revenue funds in order to clearly demonstrate the resources and requirements associated with those program areas. Of particular note, the City received $0.2 million in restricted revenues to purchase meals to feed hungry seniors at the San Bruno Senior Center in memory of Lumila Branchukova.

<u>General Fund expenditures</u>

Personnel costs represent the largest share General Fund expenditures, totaling $52.0 million or 76% of total expenditures as follows:

- Regular and Part-Time Salaries – Salaries for all full time and part time staff is the single largest category of expenditures in the operating budget at approximately 45% of total General Fund expenditures. The total budget for salaries across all General Fund departments is $31.5 million.
- Insurances and Retirement Benefits – Overall insurance and retirement benefits for the General Fund FTE personnel totals $20.5 million in FY26, an increase of 17 percent over FY25 estimated actual expenditures. Employee retirement benefits total $13.6 million, or 19.6% of the General Fund expenditures. This amount includes both the ongoing cost of service - the normal cost - and the past differences between expectations and reality- the unfunded liability - which provides a retirement benefit for City workers who do not participate in Social Security. The City continues to experience significant impacts from increasing costs for retirement benefits through the CalPERS system. The only revenues available to the CalPERS system to fund employee pension costs comes from three sources: PERS investment earnings, employee contributions and employer contributions. As a result, the reduction of available revenue in the investment earnings category must be made up from increases to employer contributions.

Enterprise Funds

The City completed a comprehensive review of operating and capital needs in the Water and Wastewater Enterprises and established new multi-year utility rate schedules in June 2023 (Wastewater) & September 2023 (Water). The rate analysis included careful evaluation of all operational costs and the planned schedule and costs for delivery of capital improvement projects necessary to replace and rehabilitate the City's aging water and wastewater system infrastructure. The multi-year Wastewater rate program adopted by the City Council in June 2023 provided for an annual 5.25% rate increase from FY24 (07/01/23) through FY28 (06/30/28). The multi-year Water rate program adopted by the City Council in September 2023 provided for an annual 6% rate increase from FY24 (01/01/24) through FY29 (12/31/28).

The Stormwater Enterprise is responsible for maintaining the stormwater conveyance system as well as adhering to the requirements outlined in the National Pollutant Discharge Elimination System (NPDES). Stormwater fees are collected through the County property tax, and a minimum of $46.16 per assessor parcel number (APN) is assessed for most properties in San Bruno. These fees have been in place since 1994 and are inadequate to fund ongoing operations and necessary equipment and capital investments to meet federal requirements. The City held a mail ballot property-owner election to increase Storm Drainage and Flood Protection Fee on June 15, 2021, which was rejected by voters overwhelmingly. The City negotiated an agreement with the solid waste franchise to contribute $798,993 annually for street sweeping to protect the stormwater infrastructure and discharge from debris. The City continues to explore opportunities in FY26 that will shore up the Stormwater Fund in the absence of a dedicated revenue source.

CityNet Fund – The City completed the sale of CityNet to Comcast in 2025 and cable operations began transitioning over to the Comcast network with completion in December 2025.

Capital Improvement Program and Debt Service

The FY2025-29 Capital Improvement Program identifies 94 funded and partially funded projects/programs organized into 8 categories. $11.16 million in capital investment is programmed through the 5-year CIP to assure rehabilitation, replacement, and improvement of City facilities and infrastructure.

A total of $5.3 million is set aside to meet debt service obligations.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the revenues it received. Questions about this report should be directed to the Finance Division of Administrative Services at webfinance@sanbruno.ca.gov or 567 El Camino Real, San Bruno, CA 94066. This report as well as other financial reports can be viewed on the City of San Bruno's website at www.sanbruno.ca.gov.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of San Bruno
Statement of Net Position
June 30, 2025 (with comparative totals for June 30, 2024)

	Governmental Activities	Business-type Activities	Totals 2025	Totals 2024
ASSETS				
Current assets:				
Cash and investments	$ 134,113,523	$ 128,823,396	$ 262,936,919	$ 245,164,394
Cash and investments with fiscal agent	150,759	1,984,731	2,135,490	2,107,586
Receivables:				
Taxes	10,349,700	79,152	10,428,852	9,302,101
Accounts	533,851	5,459,698	5,993,549	4,414,413
Interest	888,351	-	888,351	741,905
Loans	926,596	-	926,596	885,047
Other	2,719,836	1,829	2,721,665	1,958,450
Internal balances	1,088,275	(1,088,275)	-	-
Total current assets	150,770,891	135,260,531	286,031,422	264,573,896
Noncurrent assets:				
Other assets	3,741,726	-	3,741,726	3,628,657
Capital assets:				
Nondepreciable	22,320,501	16,104,660	38,425,161	78,075,194
Depreciable	210,147,451	209,520,075	419,667,526	349,965,117
Less accumulated depreciation	(91,153,649)	(95,410,690)	(186,564,339)	(176,152,987)
Total capital assets	141,314,303	130,214,045	271,528,348	251,887,324
Total noncurrent assets	145,056,029	130,214,045	275,270,074	255,515,981
Total assets	295,826,920	265,474,576	561,301,496	520,089,877
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	-	58,893	58,893	66,254
Deferred pension related items	27,407,155	3,425,211	30,832,366	41,222,507
Total deferred outflows of resources	27,407,155	3,484,104	30,891,259	41,288,761
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	10,944,383	6,246,147	17,190,530	15,770,887
Interest payable	20,308	901,256	921,564	968,631
Deposits payable	4,490,851	6,330,375	10,821,226	4,130,195
Unearned revenue	226,950	555,593	782,543	729,894
Other liabilities	185,761	-	185,761	1,228,558
Compensated absences - current	648,328	94,519	742,847	649,847
Claims and judgements - current	1,623,000	-	1,623,000	1,316,000
Long-term debt - current portion	1,379,216	2,236,917	3,616,133	3,607,430
Total current liabilities	19,518,797	16,364,807	35,883,604	28,401,442
Noncurrent liabilities:				
Compensated absences	2,888,237	636,126	3,524,363	3,094,037
Claims and judgements	4,991,000	-	4,991,000	4,284,000
Net pension liability	103,005,790	18,526,971	121,532,761	123,856,277
Long-term debt	2,257,030	49,016,877	51,273,907	55,017,487
Total noncurrent liabilities	113,142,057	68,179,974	181,322,031	186,251,801
Total liabilities	132,660,854	84,544,781	217,205,635	214,653,243
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - pension	1,440,060	-	1,440,060	2,574,890
Total deferred inflows of resources	1,440,060	-	1,440,060	2,574,890
NET POSITION				
Net investment in capital assets	139,859,021	79,019,144	218,878,165	196,535,107
Restricted for:				
Capital projects	8,382,907	1,984,731	10,367,638	16,300,063
Debt service	6,702	-	6,702	-
Measure A	1,079,573	-	1,079,573	1,107,775
Community services	39,233,907	-	39,233,907	34,466,683
Total restricted	48,703,089	1,984,731	50,687,820	51,874,521
Unrestricted	571,051	103,410,024	103,981,075	95,740,877
Total net position	$ 189,133,161	$ 184,413,899	$ 373,547,060	$ 344,150,505

See accompanying Notes to Basic Financial Statements.

City of San Bruno
Statement of Activities
For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

		Program Revenues			
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Governmental activities:					
General government	$ 13,337,104	$ 51,425	$ 172,572	$ 9,927	$ 233,924
Public safety	40,082,100	3,158,482	2,203,224	-	5,361,706
Public works	2,626,085	609,555	171,795	-	781,350
Streets	4,701,644	18,700	4,382,423	2,665,220	7,066,343
Parks and recreation	10,515,903	1,907,570	729,053	893,471	3,530,094
Library	2,257,386	10,073	70,112	-	80,185
Community and economic development	5,053,073	6,351,660	1,303,933	-	7,655,593
Interest expense	172,985	-	-	-	-
Total governmental activities	78,746,280	12,107,465	9,033,112	3,568,618	24,709,195
Business-type Activities:					
Water	15,494,286	21,114,773	-	-	21,114,773
Stormwater	3,006,089	2,297,764	-	-	2,297,764
Wastewater	16,605,600	21,271,559	-	-	21,271,559
Cable television	7,648,299	7,428,676	-	-	7,428,676
Parking	638,891	1,270,631	-	-	1,270,631
Total business-type activities	43,393,165	53,383,403	-	-	53,383,403
Total primary government	$ 122,139,445	$ 65,490,868	$ 9,033,112	$ 3,568,618	$ 78,092,598

General Revenues:

Taxes:

Property taxes, levied for general purpose

Transient occupancy tax

Franchise tax

Sales tax, including subvention

Cardroom taxes

Other taxes

Total taxes

Intergovernmental, unrestricted

State motor vehicle in-lieu tax, including subvention

Use of money and property

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning of year

Restatements

Net position - beginning of year, as restated

Net position - end of year

See accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and Changes in Net Position		Totals	
Governmental Activities	Business-Type Activities	2025	2024
$ (13,103,180)	$ -	$ (13,103,180)	$ 797,890
(34,720,394)	-	(34,720,394)	(35,406,195)
(1,844,735)	-	(1,844,735)	(1,980,636)
2,364,699	-	2,364,699	(5,247,810)
(6,985,809)	-	(6,985,809)	5,952,936
(2,177,201)	-	(2,177,201)	(2,314,512)
2,602,520	-	2,602,520	15,511,247
(172,985)	-	(172,985)	(217,131)
(54,037,085)	-	(54,037,085)	(22,904,211)
-	5,620,487	5,620,487	1,666,146
-	(708,325)	(708,325)	394,830
-	4,665,959	4,665,959	1,010,496
-	(219,623)	(219,623)	(285,238)
-	631,740	631,740	(271,641)
-	9,990,238	9,990,238	2,514,593
(54,037,085)	9,990,238	(44,046,847)	(20,389,618)
16,171,524	-	16,171,524	15,417,048
3,409,014	-	3,409,014	3,558,287
2,153,559	-	2,153,559	2,076,227
23,611,601	-	23,611,601	20,818,065
3,435,504	-	3,435,504	3,333,236
3,118,653	-	3,118,653	4,028,690
51,899,855	-	51,899,855	49,231,553
6,084,725	-	6,084,725	5,584,474
10,114,200	3,166,235	13,280,435	14,005,094
(1,158,415)	1,158,415	-	-
66,940,365	4,324,650	71,265,015	68,821,121
12,903,280	14,314,888	27,218,168	48,431,503
176,741,862	167,408,644	344,150,506	293,627,679
(511,981)	2,690,367	2,178,386	2,091,323
176,229,881	170,099,011	346,328,892	295,719,002
$ 189,133,161	$ 184,413,899	$ 373,547,060	$ 344,150,505

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FUND
FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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MAJOR GOVERNMENTAL FUNDS

General Fund

The General Fund is the primary operating fund of the City, accounting for all activities except those legally or administratively required to be accounted for in other funds. The General Fund includes activities such as public safety, parks and recreation services, community and economic development, public works and streets maintenance, legal and administrative services. The General Fund also accounts for reserves, Measure G funds, American Rescue Plan Act funds, and developer contributions.

Developer Agreements and Impact Fees Fund

Accounts for funds from new developments to pay for public facilities and infrastructure needed to accommodate growth in the City.

Street Improvement Capital Improvement Fund

The Street Improvement Capital Project Fund accounts for funds expended for transportation infrastructure such as street rehabilitation, streetlights, traffic signals and street medians.

City of San Bruno
Balance Sheet
Governmental Funds
June 30, 2025 (with comparative totals for June 30, 2024)

	General Fund	Developer Agreements and Impact Fees	Capital Projects Fund Street Improvement	Capital Projects Fund Parks and Facilities and Technology Capital Improvement
ASSETS				
Cash and investments	$ 57,534,380	$ 37,564,477	$ 7,711,985	$ -
Cash and investments with fiscal agent	57,718	-	-	-
Receivables:				
Taxes	9,829,931	-	-	-
Accounts	533,851	-	-	-
Interest	872,295	-	-	-
Loans	926,596	-	-	-
Other	1,382,302	-	323,190	-
Due from other funds	3,590,531	-	-	-
Advances to other funds	2,000,000	-	-	-
Other assets	-	-	-	-
Total assets	$ 76,727,604	$ 37,564,477	$ 8,035,175	$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	7,844,566	-	676,792	-
Due to other funds	-	-	-	-
Interest payable	-	-	-	-
Deposits payable	2,510,795	1,980,056	-	-
Unearned revenue	109,427	-	-	-
Other liabilities	185,761	-	-	-
Total liabilities	10,650,549	1,980,056	676,792	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	2,926,596	-	-	-
Restricted	-	25,611,312	4,985,434	-
Committed	-	-	-	-
Assigned	9,666,621	9,973,109	2,372,949	-
Unassigned	53,483,838	-	-	-
Total fund balances	66,077,055	35,584,421	7,358,383	-
Total liabilities, deferred inflows of resources and fund balances	$ 76,727,604	$ 37,564,477	$ 8,035,175	$ -

See accompanying Notes to Basic Financial Statements

Nonmajor Governmental Funds	Totals 2025	Totals 2024
$ 27,921,764	$ 130,732,606	$ 134,374,902
1,922	59,640	53,232
519,769	10,349,700	9,227,148
-	533,851	91,112
16,056	888,351	741,905
-	926,596	885,047
1,014,344	2,719,836	1,956,554
-	3,590,531	1,671,225
-	2,000,000	2,000,000
3,741,726	3,741,726	3,628,657
$ 33,215,581	$ 155,542,837	$ 154,629,782
2,265,818	10,787,176	13,034,431
3,418,792	3,418,792	1,671,225
10,154	10,154	13,855
-	4,490,851	4,130,195
117,523	226,950	98,133
-	185,761	1,228,558
5,812,287	19,119,684	20,176,397
3,049,700	3,049,700	3,147,900
3,049,700	3,049,700	3,147,900
-	2,926,596	2,885,047
18,106,343	48,703,089	49,911,286
652,042	652,042	2,404,964
8,807,641	30,820,320	37,184,739
(3,212,432)	50,271,406	38,919,449
24,353,594	133,373,453	131,305,485
$ 33,215,581	$ 155,542,837	$ 154,629,782

See accompanying Notes to Basic Financial Statements

City of San Bruno
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2025

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Total Fund Balances - Total Governmental Funds			$ 133,373,453
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:			
Nondepreciable	$ 22,320,501	$ -	22,320,501
Depreciable, net	118,993,802	(165,479)	118,828,323
Total capital assets	$ 141,314,303	$ (165,479)	141,148,824
Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position.			(3,472,747)
Net amount of internal service funds allocated to business-type activities			(911,725)
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.			3,049,700
In the Government-Wide Financial Statements, deferred employer contributions for pension, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.	Government-Wide Statement of Net Position	Internal Service Funds	
Deferred outflows of resources related to pension	27,407,155	-	27,407,155
Deferred inflows of resources related to pension	(1,440,060)	-	(1,440,060)
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.			
	Government-Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	$ (648,328)	$ 26,937	$ (621,391)
Additional interest payable	(10,154)	-	(10,154)
Long-term debt - due within one year, not already included in accounts payable	(1,379,216)	-	(1,379,216)
Claims and judgements - due within one year	(1,623,000)	1,623,000	-
Compensated absences - due in more than one year	(2,888,237)	140,379	(2,747,858)
Long-term debt - due in more than one year	(2,257,030)	-	(2,257,030)
Claims and judgements - due in more than one year	(4,991,000)	4,991,000	-
Net pension liability	(103,005,790)	-	(103,005,790)
Total long-term liabilities	$ (116,802,755)	$ 6,781,316	(110,021,439)
Net Position of Governmental Activities			$ 189,133,161

See accompanying Notes to Basic Financial Statements

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City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

			Capital Projects Funds	
	General Fund	Developer Agreements and Impact Fees	Street Improvement	Parks and Facilities and Technology Capital Improvement
REVENUES:				
Taxes	$ 48,923,037	$ -	$ -	$ -
Licenses and permits	3,651,136	61,518	-	-
Intergovernmental and grants	6,299,037	-	2,665,220	-
Charges for services	3,354,749	-	-	-
Fines and forfeitures	937,116	-	-	-
Use of money and property	8,967,607	1,040,270	-	-
Other revenues	398,014	-	-	-
Total revenues	72,530,696	1,101,788	2,665,220	-
EXPENDITURES:				
Current:				
General government	11,599,685	-	-	-
Public safety	33,109,212	-	-	-
Public works	1,583,990	-	-	-
Streets	2,285,308	-	-	-
Parks and recreation	4,642,063	-	-	-
Library	2,244,810	-	-	-
Community and economic development	7,870	-	-	-
Capital outlay	943,831	-	14,952,728	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	56,416,769	-	14,952,728	-
REVENUES OVER (UNDER) EXPENDITURES	16,113,927	1,101,788	(12,287,508)	-
OTHER FINANCING SOURCES (USES):				
Transfers in	1,687,868	158,709	5,928,232	-
Transfers out	(13,561,932)	(1,548,000)	(477,951)	-
Proceeds from sale of property	999,985	-	-	-
Total other financing sources (uses)	(10,874,079)	(1,389,291)	5,450,281	-
Net change in fund balances	5,239,848	(287,503)	(6,837,227)	-
FUND BALANCES:				
Beginning of year	60,837,207	35,871,924	13,719,948	9,219,206
Restatement	-	-	475,662	(9,219,206)
Beginning of year, as restated	60,837,207	35,871,924	14,195,610	-
End of year	$ 66,077,055	$ 35,584,421	$ 7,358,383	$ -

See accompanying Notes to Basic Financial Statements.

Nonmajor Governmental Funds	Totals 2025	Totals 2024
$ 1,883,524	$ 50,806,561	$ 47,073,160
6,059,780	9,772,434	21,429,107
4,286,601	13,250,858	26,291,223
2,077,674	5,432,423	4,339,526
123,890	1,061,006	1,024,684
561,622	10,569,499	9,665,220
632,642	1,030,656	8,486,054
15,625,733	91,923,437	118,308,974
60,343	11,660,028	9,061,268
583,804	33,693,016	36,917,346
-	1,583,990	2,143,316
249,986	2,535,294	2,616,323
4,723,646	9,365,709	7,015,179
40,380	2,285,190	2,365,086
5,066,065	5,073,935	3,609,519
6,238,753	22,135,312	31,645,225
1,191,580	1,191,580	1,146,790
172,985	172,985	217,131
18,327,542	89,697,039	96,737,183
(2,701,809)	2,226,398	21,571,791
9,931,658	17,706,467	26,557,786
(3,276,999)	(18,864,882)	(51,994,004)
-	999,985	4,705,755
6,654,659	(158,430)	(20,730,463)
3,952,850	2,067,968	841,328
11,657,200	131,305,485	130,464,157
8,743,544	-	-
20,400,744	131,305,485	130,464,157
$ 24,353,594	$ 133,373,453	$ 131,305,485

See accompanying Notes to Basic Financial Statements.

City of San Bruno
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities
For the year ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$	2,067,968
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:		
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds.		21,078,404
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds.		(4,714,247)
Capital assets sold in the governmental funds are recognized as revenue, but in the Government-Wide Statement of Net Position, the underlying net capital asset is removed from the accounting records at the time of the sale. This represents the capital assets net of depreciation that was removed.		(17,247)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.		58,997
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Long-term debt repayments		1,308,181
Change in interest payable		5,172
Amortization of bonds premium (discount), net		19,518
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.		12,686,990
Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.		(19,014,966)
Unavailable revenues removed in the fund financial statements resulting from activities in which revenues were earned in the governmental funds but were already recognized as revenues in the Government-Wide Financial Statements in a prior year.		(98,200)
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue (expense) of the internal service funds was reported with governmental activities.		(477,290)
Change in Net Position of Governmental Activities	$	12,903,280

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 City has identified the funds below as major proprietary funds.

Water Fund

To account for water services provided to the citizens of San Bruno. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, capital improvement, and billing and collections.

Wastewater Fund

To account for sanitary sewer services provided to the citizens of San Bruno. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, treatment and capital improvement.

CityNet Fund

To account for operating and capital improvement costs to provide a full suite of video, data and voice services to residential and business customers.

City of San Bruno
Statement of Net Position
Proprietary Funds
June 30, 2025 (with comparative totals for June 30, 2024)

	Business Type Activities - Enterprise Funds			
	Water	Wastewater	CityNet	Nonmajor Enterprise Funds
ASSETS				
Current Assets:				
Cash and investments	$ 57,188,523	$ 54,331,814	$ 12,451,438	$ 4,851,621
Cash and investments with fiscal agent	470,776	1,513,955	-	-
Receivables:				
Taxes	-	-	-	79,152
Accounts	3,859,443	413,771	552,019	634,465
Other	-	-	-	1,829
Total current assets	61,518,742	56,259,540	13,003,457	5,567,067
Noncurrent:				
Capital assets:				
Nondepreciable capital assets	6,216,438	8,170,576	500,000	1,217,646
Depreciable capital assets	62,484,826	115,949,450	22,440,138	8,645,661
Accumulated depreciation	(28,221,327)	(43,080,892)	(21,620,968)	(2,487,503)
Net capital assets	40,479,937	81,039,134	1,319,170	7,375,804
Total noncurrent assets	40,479,937	81,039,134	1,319,170	7,375,804
Total assets	101,998,679	137,298,674	14,322,627	12,942,871
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on pensions	1,094,207	985,967	1,197,194	147,843
Deferred amount on refunding	-	58,893	-	-
Total deferred outflows of resources	1,094,207	1,044,860	1,197,194	147,843
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	1,800,265	3,892,289	347,712	205,881
Due to other funds	-	-	-	-
Interest payable	209,611	691,645	-	-
Deposits payable	-	-	6,330,375	-
Unearned revenue	-	-	555,593	-
Other liabilities	-	-	-	-
Compensated absences - current	27,884	19,917	42,312	4,406
Claims and judgements - current	-	-	-	-
Long-term debt - current portion	260,000	1,976,917	-	-
Total current liabilities	2,297,760	6,580,768	7,275,992	210,287
Noncurrent liabilities:				
Advances from other funds	-	-	-	2,000,000
Compensated absences	206,720	149,160	251,560	28,686
Claims payable	-	-	-	-
Net pension liability	5,918,572	5,333,094	6,475,622	799,683
Long-term debt	10,825,760	38,191,117	-	-
Total noncurrent liabilities	16,951,052	43,673,371	6,727,182	2,828,369
Total liabilities	19,248,812	50,254,139	14,003,174	3,038,656
DEFERRED INFLOWS OF RESOURCES				
Deferred amount on pensions	-	-	-	-
Total deferred inflows of resources	-	-	-	-
NET POSITION				
Net investment in capital assets	29,394,177	40,929,993	1,319,170	7,375,804
Restricted	470,776	1,513,955	-	-
Unrestricted	53,979,121	45,645,447	197,477	2,676,254
Total net position	$ 83,844,074	$ 88,089,395	$ 1,516,647	$ 10,052,058
Reconciliation to the government-wide statement of net position:				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	$ 577,905	$ (533,978)	$ 793,817	$ 73,981
Net position of business-type activities	$ 84,421,979	$ 87,555,417	$ 2,310,464	$ 10,126,039

See accompanying Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds Totals		Governmental Activities - Internal Service Funds Totals	
2025	2024	2025	2024
$ 128,823,396	$ 107,019,693	$ 3,380,917	$ 3,769,799
1,984,731	1,963,235	91,119	91,119
-	-		-
79,152	74,953	-	-
5,459,698	4,323,102	-	199
1,829	1,896	-	-
136,348,806	113,382,879	3,472,036	3,861,117
16,104,660	9,407,422	-	-
209,520,075	206,952,769	253,982	182,060
(95,410,690)	(89,387,140)	(88,503)	(69,701)
130,214,045	126,973,051	165,479	112,359
130,214,045	126,973,051	165,479	112,359
266,562,851	240,355,930	3,637,515	3,973,476
3,425,211	4,547,470	-	-
58,893	66,254	-	-
3,484,104	4,613,724	-	-
6,246,147	2,489,135	157,207	342,130
-	-	171,739	-
901,256	939,450	-	-
6,330,375	-	-	-
555,593	631,761	-	-
-	-	-	-
94,519	71,933	26,937	26,079
-	-	1,623,000	1,316,000
2,236,917	2,165,404	-	-
16,364,807	6,297,683	1,978,883	1,684,209
2,000,000	2,000,000	-	-
636,126	562,993	140,379	155,707
-	-	4,991,000	4,284,000
18,526,971	19,036,803	-	-
49,016,877	51,400,759	-	-
70,179,974	73,000,555	5,131,379	4,439,707
86,544,781	79,298,238	7,110,262	6,123,916
-	8,608	-	-
-	8,608	-	-
79,019,144	73,473,142	132,356	104,303
1,984,731	1,963,235	-	-
102,498,299	90,226,431	(3,605,103)	(2,254,743)
$ 183,502,174	$ 165,662,808	$ (3,472,747)	$ (2,150,440)
$ 911,725	$ 1,745,836		
$ 184,413,899	$ 167,408,644		

See accompanying Notes to Basic Financial Statements.

City of San Bruno

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Business Type Activities - Enterprise Funds			
	Water	Wastewater	CityNet	Nonmajor Enterprise Funds
OPERATING REVENUES:				
Charges for services:				
Water sales	$ 18,647,587	$ -	$ -	$ -
Sewer service charges	-	18,841,743	-	-
Cable television charges	-	-	7,428,676	-
Other service charges	2,328,927	2,414,694	-	1,211,663
Other operating revenue	138,259	15,122	-	2,356,732
Total operating revenues	21,114,773	21,271,559	7,428,676	3,568,395
OPERATING EXPENSES:				
Water supply	12,795,631	-	-	-
Distribution	-	-	-	2,751,216
Treatment	-	11,250,366	-	-
Cable operations	-	-	7,532,936	-
Central garage	-	-	-	-
Insurance expenses	-	-	-	-
Technology support	-	-	-	-
Facilities maintenance	-	-	-	480,062
Depreciation and amortization	1,947,059	3,657,832	142,216	408,233
Total operating expenses	14,742,690	14,908,198	7,675,152	3,639,511
Operating income (loss)	6,372,083	6,363,361	(246,476)	(71,116)
NONOPERATING REVENUES (EXPENSES):				
Investment income	1,491,865	1,411,570	189,027	73,773
Interest and debt service expenses	(384,523)	(1,208,980)	-	-
Total nonoperating revenues (expenses)	1,107,342	202,590	189,027	73,773
Income before contributions and transfers	7,479,425	6,565,951	(57,449)	2,657
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	-	-	-	1,533,765
Transfers out	(218,650)	(156,700)	-	-
Total contributions and transfers	(218,650)	(156,700)	-	1,533,765
Change in net position	7,260,775	6,409,251	(57,449)	1,536,422
NET POSITION:				
Beginning of year	75,659,429	79,911,694	1,571,988	8,519,697
Restatements	923,870	1,768,450	2,108	(4,061)
Beginning of year, as restated	76,583,299	81,680,144	1,574,096	8,515,636
End of year	$ 83,844,074	$ 88,089,395	$ 1,516,647	$ 10,052,058
Reconciliation to government-wide statement of activities:				
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	$ (367,073)	$ (488,422)	$ 26,853	$ (5,469)
Change in net position of business-type activities - End of year	$ 6,893,702	$ 5,920,829	$ (30,596)	$ 1,530,953

See accompanying Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds Totals 2025	Business-Type Activities - Enterprise Funds Totals 2024	Governmental Activities - Internal Service Funds Totals 2025	Governmental Activities - Internal Service Funds Totals 2024
$ 18,647,587	$ 17,567,116	$ -	$ -
18,841,743	18,408,221	-	-
7,428,676	8,432,677	-	-
5,955,284	1,066,212	8,585,257	8,347,546
2,510,113	2,274,184	609,074	13,240
53,383,403	47,748,410	9,194,331	8,360,786
12,795,631	14,092,708	-	-
2,751,216	2,035,734	-	-
11,250,366	13,109,786	-	-
7,532,936	8,535,691	-	-
-	-	1,502,776	914,802
-	-	5,135,412	3,627,989
-	-	1,606,727	1,496,517
480,062	326,291	2,242,015	1,999,029
6,155,340	5,338,388	18,802	10,607
40,965,551	43,438,598	10,505,732	8,048,944
12,417,852	4,309,812	(1,311,401)	311,842
3,166,235	2,767,893	-	-
(1,593,503)	(1,845,752)	-	-
1,572,732	922,141	-	-
13,990,584	5,231,953	(1,311,401)	311,842
1,533,765	26,007,064	-	150,000
(375,350)	(720,846)	-	-
1,158,415	25,286,218	-	150,000
15,148,999	30,518,171	(1,311,401)	461,842
165,662,808	133,053,314	(2,150,440)	(2,612,282)
2,690,367	2,091,323	(10,906)	-
168,353,175	135,144,637	(2,161,346)	(2,612,282)
$ 183,502,174	$ 165,662,808	$ (3,472,747)	$ (2,150,440)
$ (834,111)	$ 50,533		
$ 14,314,888	$ 4,338,017		

See accompanying Notes to Basic Financial Statements.

City of San Bruno
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Business Type Activities - Enterprise Funds			
	Water	Wastewater	CityNet	Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	$ -	$ -	$ -	$ -
Cash receipts from customers	20,086,025	21,521,365	7,454,827	3,104,290
Cash payments to suppliers for goods and services	(12,426,323)	(7,925,725)	(1,156,654)	(3,214,122)
Cash (payments) receipts to employees for services	1,170,030	1,958,858	244,766	23,612
Cash reimbursements for loss claims	-	-	-	-
Net cash provided by (used in) operating activities	8,829,732	15,554,498	6,542,939	(86,220)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Loans from other funds	-	-	-	-
Loans repayments to other funds	-	-	-	-
Transfers received from other funds	-	-	-	1,533,765
Transfers paid to other funds	(218,650)	(156,700)	-	-
Net cash provided by (used in) noncapital financing activities	(218,650)	(156,700)	-	1,533,765
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from debt issuance	-	-	-	-
Acquisition and construction of capital assets	(2,073,329)	(7,081,791)	-	(241,214)
Principal payments on long-term debt	(291,555)	(2,020,814)	-	-
Interest paid on long-term debt	(390,738)	(1,240,959)	-	-
Net cash provided by (used in) capital and related financing activities	(2,755,622)	(10,343,564)	-	(241,214)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (expense)	1,491,865	1,411,570	189,027	73,773
Net cash provided by (used in) investing activities	1,491,865	1,411,570	189,027	73,773
Net cash flows	7,347,325	6,465,804	6,731,966	1,280,104
CASH AND INVESTMENTS - Beginning of year	50,311,974	49,379,965	5,719,472	3,571,517
CASH AND INVESTMENTS - End of year	$ 57,659,299	$ 55,845,769	$ 12,451,438	$ 4,851,621
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ 6,372,083	$ 6,363,361	$ (246,476)	$ (71,116)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	1,947,059	3,657,832	142,216	408,233
(Increase) decrease in current assets:				
Taxes receivable	-	-	-	(4,199)
Accounts receivable	(1,028,748)	249,806	102,319	(459,973)
Other receivable	-	-	-	67
(Increase) decrease in deferred outflows of resources	358,514	330,409	392,257	48,440
Increase (decrease) in liabilities:				-
Accounts payable and accrued liabilities	369,308	3,324,641	45,907	17,156
Deposits payable	-	-	6,330,375	-
Unearned revenue	-	-	(76,168)	-
Compensated absences	977,135	1,777,685	33,717	(2,451)
Net pension liability	(162,869)	(146,758)	(178,199)	(22,006)
Claims liability	-	-	-	-
Increase (decrease) in deferred inflows of resources	(2,750)	(2,478)	(3,009)	(371)
Net cash provided by (used in) operating activities	$ 8,829,732	$ 15,554,498	$ 6,542,939	$ (86,220)

See accompanying Notes to Basic Financial Statements.

Business-Type Activities - Enterprise Funds Totals 2025	Business-Type Activities - Enterprise Funds Totals 2024	Governmental Activities - Internal Service Funds Totals 2025	Governmental Activities - Internal Service Funds Totals 2024
$ -	$ -	$ 8,757,247	$ 7,300,384
52,166,507	49,318,617	-	-
(24,722,824)	(42,802,429)	(9,683,229)	(7,219,462)
3,397,266	979,249	-	-
-	-	609,022	649
30,840,949	7,495,437	(316,960)	81,571
-	2,000,000	-	-
-	(16,679,225)	-	-
1,533,765	26,007,064	-	150,000
(375,350)	(720,846)	-	-
1,158,415	10,606,993	-	150,000
-	13,792,446	-	-
(9,396,334)	(22,477,997)	(71,922)	(118,826)
(2,312,369)	(2,667,009)	-	-
(1,631,697)	(1,738,053)	-	-
(13,340,400)	(13,090,613)	(71,922)	(118,826)
3,166,235	2,767,893	-	-
3,166,235	2,767,893	-	-
21,825,199	7,779,710	(388,882)	112,745
108,982,928	101,203,218	3,860,918	2,872,636
$ 130,808,127	$ 108,982,928	$ 3,472,036	$ 2,985,381
$ 12,417,852	4,309,812	(1,311,401)	25,239
6,155,340	5,338,388	18,802	7,928
(4,199)	(74,953)	-	-
(1,136,596)	1,656,371	199	(449)
67	(1,896)	-	-
1,129,620	500,463	-	-
3,757,012	(4,702,219)	(184,923)	20,323
6,330,375	-	171,739	-
(76,168)	(9,315)	-	-
2,786,086	(2,424)	(25,376)	33,530
(509,832)	493,508	-	-
-	-	1,014,000	(5,000)
(8,608)	(12,298)	-	-
$ 30,840,949	$ 7,495,437	$ (316,960)	$ 81,571

See accompanying Notes to Basic Financial Statements.

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FIDUCIARY FUNDS

Fiduciary funds are used to report assets held for fiduciary activities, which may be carried out by primary governments or their component units. Fiduciary funds may be (1) held for legally established trust funds or similar arrangements, or (2) held outside of a trust exclusively for the benefit of individuals or organizations and used for activities that meet the criteria to be treated as fiduciary activities.

Redevelopment Agency Obligation Retirement Trust Fund

To account for the assets, liabilities and activities of the former Redevelopment Agency of the City in a trustee capacity to pay for enforceable obligations of the former Redevelopment Agency. In accordance with Assembly Bill (AB) X1 26 and AB 1484, the San Bruno Redevelopment Agency was dissolved February 1, 2012.

City of San Bruno
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025 (with comparative totals for June 30, 2024)

	Redevelopment Agency Obligation Retirement Trust Fund	
	2025	2024
ASSETS		
Cash and investments	$ 650,348	$ 705,298
Cash and investments with fiscal agent	718	534
Total assets	651,066	705,832
DEFERRED OUTFLOWS OF RESOUCES		
Deferred loss on refunding	22,286	26,001
Total deferred outflows of resources	22,286	26,001
LIABILITIES		
Accounts payable	210,375	206,474
Interest payable	18,660	21,106
Long-term liabilities:		
Long-term debt - due within one year	395,000	375,000
Long-term debt - due in more than one year	2,544,532	2,991,954
Total liabilities	3,168,567	3,594,534
NET POSITION		
Restricted for:		
Net position held in trust	(2,495,215)	(2,862,701)
Total Net Position	$ (2,495,215)	$ (2,862,701)

See accompanying Notes to Basic Financial Statements.

City of San Bruno
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Redevelopment Agency Obligation Retirement Trust Fund	
	2025	2024
ADDITIONS:		
Administration allowance	$ 793	$ 609
Taxes	668,745	107,355
Other revenues	13,910	11,085
Total additions	683,448	119,049
DEDUCTIONS:		
Community development	237,665	209,602
Interest and fiscal charges	78,297	115,132
Total deductions	315,962	324,734
Change in net position	367,486	(205,685)
NET POSITION:		
Beginning of year	(2,862,701)	(2,657,016)
End of year	$ (2,495,215)	$ (2,862,701)

See accompanying Notes to Basic Financial Statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

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1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES

A. Financial Reporting Entity

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

B. Related Organizations

The San Bruno Community Foundation (Foundation) is a California nonprofit corporation which was organized in 2013 as a public benefit 501(c)(3) nonprofit corporation and has been determined to be a Type I supporting organization under Section 509(a)(3) of the Internal Revenue Code. Pursuant to the settlement agreement dated March 12, 2012, between Pacific Gas & Electric Company (PG&E) and the City of San Bruno, both parties agreed to resolve and settle all claims arising out of the September 9, 2010, pipeline incident. The terms required PG&E to contribute a total of $70 million to the City, which comprised of 1) five vacant plots of land in the Glenview (Crestmoor) neighborhood, which had a total fair market value of $1,250,000 and 2) $68,750,000 in cash, to transfer to a tax-exempt, nonprofit public purpose entity. Hence, the Foundation was created from the Settlement Agreement. The Foundation engages primarily in the administration of PG&E restitution funds. The election of the Foundation's Board is controlled by the City. Separate financial statements for the Foundation may be obtained by contacting the San Bruno Community Foundation, 901 Sneath Lane, Ste. 209, San Bruno, CA 94066.

In the fiscal year ended June 30, 2025, The Foundation provided the City $580,182 in grant funding for the Recreation and Aquatics Center project, and $410,193 for the Narita Exchange Program, Centennial Plaza and other improvements. The City has recorded $259,364 in receivables from the Foundation as of June 30, 2025.

C. Basis of Presentation

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

Fund Financial Statements - Fund financial statements of the reporting entity are organized into funds each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund balance/net position, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

The Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where the City Council has decided that periodic determination of net income is appropriate for accountability purposes.

A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

(a) Total assets, deferred outflows of resources, liabilities, deferred inflow of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and,

(b) Total assets, deferred outflows of resources, liabilities, deferred inflow of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined. However, some funds are reported as major funds due to the significance to the users of the financial statements.

The major funds of the financial reporting entity are described below.

Government Activities

General Fund – The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Developer Agreements and Impact Fees Fund – Accounts for funds from new developments to pay for public facilities and infrastructure needed to accommodate growth in the City.

Street Improvement - The Street Improvement Capital Project Fund accounts for funds expended for transportation infrastructure such as street rehabilitation, streetlights, traffic signals and street medians.

Business-type Activities

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

Water Fund – Accounts for water services provided to the citizens of San Bruno. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, capital improvement, and billing and collections.

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

C. Basis of Presentation, Continued

Wastewater Fund – Accounts for sanitary sewer services provided to the citizens of San Bruno. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, treatment.

CityNet Fund – Accounts for operating costs associated with administering the cable television franchise.

The City also reports the following fund types:

Internal Service Funds – The Internal Service Funds are used to account for financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The internal service funds are used to account for central garage, insurance programs, technology development, and facility maintenance. These funds are eliminated as part of the reconciliation process and treated as governmental activities, since these are the primary funds served.

Fiduciary Funds – These funds include: Redevelopment Agency Obligation Retirement Trust Fund – which accounts for the assets, liabilities and activities of the former Redevelopment Agency of the City in a trustee capacity to pay for enforceable obligations of the former Redevelopment Agency; and Recology San Bruno Custodial Fund – which accounts for funds billed, collected, and remitted to Recology San Bruno for waste management services within the City.

D. Measurement Focus

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

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item b below.

In the fund financial statements, the “current financial resources” measurement focus or the “economic resources” measurement focus is used as appropriate:

(a) All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

D. Measurement Focus, Continued

(b) The enterprise and internal service funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Enterprise and internal service fund equity is classified as net position.

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

E. Basis of Accounting

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

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than program revenues. Likewise, general revenues include all taxes.

The enterprise, internal service and fiduciary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

Assets, Liabilities, and Equity

F. Cash Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

F. Cash Deposits and Investments, Continued

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Market value is used as fair value for those securities for which market quotations are readily available.

The City indirectly participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which invests a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk such as changes in interest rates.

G. Interfund Receivables and Payables

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

Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. See Note 3 for details of interfund transactions, including receivables and payables at year-end.

H. Receivables

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

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

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

H. Receivables, Continued

Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Customer and intergovernmental accounts receivable comprise the majority of proprietary fund receivables.

I. Inventories

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

J. Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost if actual is available. Policy has set the capitalization threshold for reporting capital assets at $10,000. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Donated works of art and similar items and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. Right-to-use assets held for long-term leases and software agreements are capitalized at $75,000. Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems and are capitalized at $100,000.

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

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

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

Infrastructure	25 - 40 years
Buildings and improvements	20 - 30 years
Machinery and equipment	3 - 15 years

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

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

K. Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as a liability in the government-wide statements. The long-term debt consists of bonds, finance purchase agreements, leases, software subscriptions, compensated absences, and a liability for claims.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources, and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

L. Compensated Absences

The City's policies regarding vacation time and compensatory time permit employees to accumulate earned but unused leave. Compensated absences also includes the portions of sick time and management leave expected to be used by the employee on a last-in first-out basis. The current portion of this debt is estimated based on historical trend and funded by the individual fund generating the liability with the long-term portion shown as a long-term liability.

The changes of the compensated absences were as follows:

	Governmental Activities	Business-Type Activities	Total
Balance as of June 30, 2024, as restated	$ 3,620,939	$ 683,679	$ 4,304,618
Changes (net)	(84,374)	46,966	(37,408)
Balance as of June 30, 2025	3,536,565	730,645	4,267,210
Current Portion	$ 648,328	$ 94,519	$ 742,847

M. Pensions

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

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

N. Deferred Outflows/Inflows of Resources

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

Revenues, Expenditures, and Expenses

O. Property Tax

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are receivable from the county within sixty days after year end.

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

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

P. Expenditures/Expenses

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

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

P. Expenditures/Expenses, Continued

In the fund financial statements, expenditures are classified as follows:
Governmental funds – by character
Current (further classified by function)
Capital outlay
Debt service

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

Q. Interfund Transfers

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

R. Prior Year Comparative Financial Information

The basic financial statements included certain prior year summarized comparative information. This information has been included for comparison purposes and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's prior year financial statements, from which this selected data was derived. Certain minor reclassifications of prior year data may have been made in order to enhance their comparability with current year figures.

S. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

T. Budgetary Policies

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

(a) Public meetings are conducted to obtain public comments. The City Council annually adopts the budget for the ensuing fiscal year prior to July 1st.

(b) Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary fund types.

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

T. Budgetary Policies, Continued

(c) Budgets for the General, Special Revenue, Capital Project, and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

(d) Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2025 based on the calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

(e) Budgeted revenue and expenditure amounts represent the original budget modified by adjustments authorized during the year.

(f) Appropriations, except for those encumbered under purchase orders, lapse at the end of the fiscal year. Encumbered amounts are then carried over for the coming year.

(g) Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at the fund level.

(h) Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all governmental funds.

U. 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.

1. SUMMARY OF SIGNFICANT ACCOUNTING POLICIES, Continued

U. Fair Value Measurements, Continued

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.

V. Loans Receivable – Related Parties

The City routinely loans funds to employees, including to the former City Manager, for the purchase of a primary residence within the City limits. Amounts range from $95,000-$140,000. The interest rate on these loans is set at the Local Agency Investment Fund (LAIF) interest rate. At June 30, 2025, seven such loans were outstanding for an amount totaling $926,596 owed to the City. Loans must be paid off within 15 years, or earlier if one of the following occurs: a) Six months following termination of the employee's employment with the City, b) three months following the employee no longer living at the residence. During the fiscal year, the City made one new loan in the amount of $140,000, and employees and former employees paid $98,451 in principal.

W. New Pronouncements

The City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

- *GASB Statement No. 101, Compensated Absences* - The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The City restated its beginning compensated absence balances and updated its current year accounting and disclosures as part of the implementation of this Statement.

- *GASB Statement No. 102, Certain Risk Disclosures* - The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. No new disclosures resulted from the implementation of this Statement.

2. CASH AND INVESTMENTS

The City pools cash from all sources and all funds, except certain specific investments within funds and cash with fiscal agents, so that it can be invested at the maximum yield, consistent with safety and liquidity, while individual funds can make expenditures at any time.

2. CASH AND INVESTMENTS, Continued

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable pieces of paper called securities instruments, or by an electronic entry registering the owner in the records of the institution issuing the security, called the book entry system. Individual investments are generally made by the City's fiscal agents as required under its debt issues. In order to maximize security, the City employs the Trust Department of a bank as the custodian of all City managed investments, regardless of their form.

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.

A. Classification

Cash and investments 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 as of June 30, 2025, consisted of the following:

	Amount
Statement of Net Position	
Cash and investments	$ 262,936,919
Restricted cash and investments held by fiscal agents	2,135,490
Total cash and investments in primary government	$ 265,072,409
Statement of Fiduciary Net Position	
Cash and Investments	
Private Purpose Trust Funds	$ 650,348
Restricted cash investments held by fiscal agents	718
Total cash and investments in fiduciary funds	651,066
Total cash and investments	$ 265,723,475

Cash and investments with original maturities of three months or less are treated as cash and equivalents for the purpose of preparing Proprietary Fund statements of cash flows. Also, each Proprietary Funds' portion of the City's overall cash and investment pool is treated as cash and equivalents since these amounts are in substance demand deposits.

B. Investments Authorized by the California Government Code and the City's Investment Policy

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

2. CASH AND INVESTMENTS, Continued

B. Investments Authorized by the California Government Code and the City's Investment Policy, Continued

During the year ended June 30, 2025, the City's permissible investments included the following instruments:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Investment in One Issuer
U.S. Treasury bills, bonds, notes, obligations	5 years	N/A	None	None
U.S. agency securities	5 years	N/A	75%	40%
Commercial paper	270 days	A-1	25%	5%
LAIF	N/A	None	State $ Limit	N/A
San Mateo County pool	N/A	None	20%	N/A
Non-negotiable certificates of deposit	3 years	N/A	15%	5%
California municipal bonds	5 years	Short term: A-1 Long term: A	20%	5%
Money market funds	N/A	AAA	40%	15%

The City complied with the provisions of California Government Code (or the City's investment policy, where more restrictive) pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

C. Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways the City manages its exposure to interest rate risk is by purchasing a combination of shorter and longer term investments. This allows the City to time cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City also manages its interest rate risk by holding most investments to maturity, thus reversing unrealized market gains and losses.

2. CASH AND INVESTMENTS, Continued

C. Interest Rate Risk, Continued

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity or earliest call date:

Cash and Investments	12 Months or less	13 to 24 Months	25 to 60 Months	Total
U.S. Treasuries & Agencies	$ 42,214,169	$ 26,585,673	$ 18,575,843	$ 87,375,685
Municipal Bonds	5,448,655	14,951,488	-	20,400,143
Local Agency Investment Fund	42,192,913	-	-	42,192,913
Money Market Funds	66,432,563	-	-	66,432,563
CalTRUST Investment	39,219,401	-	-	39,219,401
Subtotal Investment	$ 195,507,701	$ 41,537,161	$ 18,575,843	255,620,705
Cash in bank and on hand				10,102,770
Total Cash and Investments				$ 265,723,475

The City's investments in U.S. Treasuries, U.S. Agencies, and municipal bonds had a weighted average maturity of 1.32 years at June 30, 2025.

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF management calculates the fair value and cost of the entire LAIF pool. The City adjusts its cost basis invested in LAIF to fair value based upon this factor. The City's investments with LAIF at June 30, 2025, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2025, the City had $42,192,913 invested in LAIF, which had invested 3.81% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.00% in the previous year. The LAIF fair value factor of 1.00119831 was used to calculate the fair value of the investments in LAIF.

2. CASH AND INVESTMENTS, Continued

D. *Fair Value Hierarchy*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The following is a summary of the fair value hierarchy of the fair value of investments of the City as of June 30, 2025:

Investments by Fair Value Level:	Level 2	Total
U.S. Treasuries & Agencies	$ 87,375,685	$ 87,375,685
Municipal Bonds	20,400,143	20,400,143
Money Market Mutual Fund	66,432,563	66,432,563
CalTRUST Investment	39,219,401	39,219,401
Totals	$ 213,427,792	213,427,792
Investments Measured Using Fair Value Factor:		
Local Agency Investment Fund (LAIF)		42,192,913
Total Investments		$ 255,620,705

Federal Agency Securities, classified in Level 2 of the fair value hierarchy, are valued using a quoted price in a non-active market for an identical asset. Municipal Bonds, classified in Level 2 of the fair value hierarchy, are valued using yield to maturity quoted price. These prices are obtained from various pricing sources by the custodian bank. The California Local Agency Investment Fund (LAIF) and San Mateo County Investment Pool are classified as exempt in the fair value hierarchy, as they are valued at amortized cost, which is exempt from being classified under GASB 72. 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.

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. As disclosed in Note 2B, State law and the City's investment Policy limit the City's investments to certain minimum credit ratings. Minimal credit ratings are also established by the bond indentures in the case of cash and investments held by fiscal agents.

2. CASH AND INVESTMENTS, Continued

E. Credit Risk, Continued

Presented below is the actual rating as of June 30, 2025, for each investment type as provided by Moody's investment rating system:

Investment Type	Aaa	Aa1	Aa2	Aa3	Total
U.S. Government Agencies	$ -	$ 14,824,203	$ -	$ -	$ 14,824,203
U.S. Treasury Notes	-	70,622,803	-	-	70,622,803
Municipal Bonds	2,961,950	1,957,680	7,489,141	3,996,118	16,404,889
Totals	$ 2,961,950	$ 87,404,686	$ 7,489,141	$ 3,996,118	101,851,894
Not Rated:					
U.S. Treasury Notes					1,928,679
Municipal Bonds[1]					3,995,255
Money Market Funds					66,432,563
Local Agency Investment Fund (LAIF)					42,192,913
CalTRUST Investment					39,219,401
Total Investments					$ 255,620,705

[1] S&P ratings for these bonds range from AA- to AA

3. TRANSFERS AMONG FUNDS

A. Transfers Among Funds

With Council approval, resources may be transferred from one City fund to another. Transfers between funds during the fiscal year ended June 30, 2025, were as follows:

	Transfers In					
Transfers Out	**General Fund**	**Developer Agreements and Impact Fees**	**Street Improvement**	**Non-Major Governmental Funds**	**Non-Major Enterprise Funds**	**Total**
Major Governmental Funds:						
General Fund	$ -	$ -	$ 4,717,430	$ 7,460,737	$ 1,383,765	$ 13,561,932
Developer Agreements and Impact Fees	-	-	-	1,398,000	150,000	1,548,000
Street Improvement	155,379	-	-	322,572	-	477,951
Non-Major Governmental Funds	1,532,489	158,709	1,210,802	374,999	-	3,276,999
Major Enterprise Funds:						
Water	-	-	-	218,650	-	218,650
Wastewater	-	-	-	156,700	-	156,700
Total	$ 1,687,868	$ 158,709	$ 5,928,232	$ 9,931,658	$ 1,533,765	$ 19,240,232

3. TRANSFERS AMONG FUNDS, Continued

A. Transfers Among Funds, Continued

General Fund

Transfers from the General Fund to all funds except $983,765 to non-major enterprise funds and $1,367,286 to the non-major governmental funds were to support budgeted capital projects. The purpose of transferring $1,367,286 from the General Fund to the Non-Major Governmental Funds was to make payments on long-term debt. The transfer from the General Fund to the non-major funds was to support the Stormwater Fund and Parking Fund.

Transfers to the General Fund from the Street Improvement, and $192,489 from non-major governmental funds were to return unused monies previously contributed by the General Fund for capital projects. The remaining transfers to the General Fund from non-major governmental funds to the General Fund were to augment various City services such as street maintenance and police.

Developer Agreements and Impact Fees Fund

Transfers from the Developer Agreements and Impact Fees fund to the non-major governmental funds and non-major enterprise funds were to support and pay for capital projects.

B. Interfund Advances

In fiscal year 2024, the General Fund loaned the Parking Fund $2,000,000 to start the fund as it installed new parking meters. The balance remained the same in the fiscal year ended June 30, 2025.

Fund Receiving Advance	Fund Making Advance	Amount of Advance
Parking Fund	General Fund	$ 2,000,000
	Total	$ 2,000,000

C. Interfund Balances

Interfund balance arise in normal course of business. Amounts due to and due from other funds reflect interfund balances for services rendered or short-term loan expected to be repaid in the next fiscal year. At June 30, 2025, interfund balances comprised the following:

Due to Other Funds	Due From Other Funds	Amount
Nonmajor:		
Parks and Facilities and Technology Capital Improvement	General Fund	$ 80,132
Federal/State Grant Special Revenue Fund	General Fund	482,745
Agency on Aging Special Revenue Fund	General Fund	456,298
Recreation and Aquatic Center Special Revenue Fund	General Fund	2,399,617
Central Garage Internal Service Fund	General Fund	171,739
	Total	$ 3,590,531

4. CAPITAL ASSETS

A. Capital Asset Additions and Retirements

Governmental activities capital assets as of June 30, 2025 comprise:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Governmental Activities					
Capital assets not being depreciated:					
Land	$ 3,249,087	$ -	$ -	$ -	$ 3,249,087
Construction in progress	65,418,685	19,885,820	-	(66,233,091)	19,071,414
Total capital assets not being depreciated	68,667,772	19,885,820	-	(66,233,091)	22,320,501
Capital assets being depreciated:					
Buildings and improvements	17,590,070	-	(65,167)	62,083,068	79,607,971
Machinery, improvements and equipment	19,912,054	1,264,506	(177,751)	230,615	21,229,424
Infrastructure	104,699,945	-	-	3,919,408	108,619,353
Right to use-Software	810,279	-	(119,576)	-	690,703
Total capital assets being depreciated	143,012,348	1,264,506	(362,494)	66,233,091	210,147,451
Less accumulated depreciation for:					
Buildings and improvements	(11,305,365)	(1,416,942)	47,920	-	(12,674,387)
Machinery, improvements and equipment	(14,706,814)	(1,181,011)	177,751	-	(15,710,074)
Infrastructure	(60,343,468)	(1,956,042)	-	-	(62,299,510)
Right to use-Software	(410,200)	(179,054)	119,576	-	(469,678)
Total accumulated depreciation	(86,765,847)	(4,733,049)	345,247	-	(91,153,649)
Net capital assets being depreciated	56,246,501	(3,468,543)	(17,247)	66,233,091	118,993,802
Governmental Activities capital assets, net	$ 124,914,273	$ 16,417,277	$ (17,247)	$ -	$ 141,314,303

4. CAPITAL ASSETS, Continued

A. Capital Asset Additions and Retirements, Continued

Business-type activities capital assets as of June 30, 2025 comprise:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Business-type activities:					
Capital assets not being depreciated:					
Land	$ 576,842	$ -	$ -	$ -	$ 576,842
Construction in progress	8,830,580	7,917,223	-	(1,219,985)	15,527,818
Total capital assets not being depreciated	9,407,422	7,917,223	-	(1,219,985)	16,104,660
Capital assets being depreciated:					
Buildings and improvements	124,615,149	-	-	420,210	125,035,359
Machinery, improvements and equipment	34,892,952	1,029,117	(131,790)	799,775	36,590,054
Sewer plant	47,444,668	449,994	-	-	47,894,662
Total capital assets being depreciated	206,952,769	1,479,111	(131,790)	1,219,985	209,520,075
Less accumulated depreciation for:					
Buildings and improvements	(39,771,693)	(3,300,414)	-	-	(43,072,107)
Machinery, improvements and equipment	(29,273,459)	(1,097,341)	131,790	-	(30,239,010)
Sewer Plant	(20,341,988)	(1,757,585)	-	-	(22,099,573)
Total accumulated depreciation	(89,387,140)	(6,155,340)	131,790	-	(95,410,690)
Net capital assets being depreciated	117,565,629	(4,676,229)	-	1,219,985	114,109,385
Business-type activity capital assets, net	$ 126,973,051	$ 3,240,994	$ -	$ -	$ 130,214,045

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	Amount
General government	$ 591,712
Public safety	954,590
Public works	14,756
Streets	1,920,463
Parks and recreation	1,197,279
Library	45,207
Community and economic development	9,042
Total	$ 4,733,049

4. CAPITAL ASSETS, Continued

B. Depreciation Allocation, Continued

Business-Type Activities	Amount
Water	$ 1,947,059
Stormwater	249,404
Wastewater	1,900,247
SSF Sewer Plant	1,757,585
CityNet	142,216
Parking Fund	158,829
Total	$ 6,155,340

5. 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.

A. The City's Long-Term Debt

The following is a summary of long-term debt transactions for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year
Governmental Activity - Bonds:					
2013 Pension Obligation Bond	$ 3,265,000	$ -	$ (1,045,000)	$ 2,220,000	$ 1,090,000
Discount on Pension Obligation Bond	(58,554)	-	19,518	(39,036)	-
Total Governmental Activity - Bonds	3,206,446	-	(1,025,482)	2,180,964	1,090,000
Governmental Activity - Direct Borrowings:					
2022 Fire Pumper Trucks	1,426,436	-	(251,962)	1,174,474	151,531
SBITA Liability	425,872	-	(145,064)	280,808	137,685
Total Governmental Activity - Direct Borrowings	1,852,308	-	(397,026)	1,455,282	289,216
Total Governmental Activities	$ 5,058,754	$ -	$ (1,422,508)	$ 3,636,246	$ 1,379,216

5. LONG-TERM DEBT, Continued

A. The City's Long-Term Debt, Continued

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year
Business-Type Activity - Bonds:					
2017 Water Revenue Bond	$ 10,380,000	$ -	$ (250,000)	$ 10,130,000	$ 260,000
Premium of Revenue Bond	997,315	-	(41,555)	955,760	-
2017 Wastewater Revenue Bond	21,870,000	-	(525,000)	21,345,000	550,000
Premium of Revenue Bond	2,100,813	-	(87,534)	2,013,279	-
2013 Wastewater Refunding Revenue Bond	3,970,000	-	(365,000)	3,605,000	380,000
Premium of Revenue Bond	160,879	-	(17,875)	143,004	-
Total Business-Type Activity - Bonds	39,479,007	-	(1,286,964)	38,192,043	1,190,000
Business-Type Activity - Direct Borrowings:					
Due to City of South San Francisco					
2007 Loan	883,668	-	(436,380)	447,288	447,288
2023 Loan	13,203,488	-	(589,025)	12,614,463	599,628
Total Business-Type Activity - Direct Borrowings	14,087,156	-	(1,025,405)	13,061,751	1,046,916
Total Business-Type Activities	$ 53,566,163	$ -	$ (2,312,369)	$ 51,253,794	$ 2,236,916

B. Governmental Activities

2013 Pension Obligation Bonds

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

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

The Bonds are payable from any source of legally available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. During the fiscal year ended June 30, 2025, the City made principal and interest payments totaling $1,045,000 and $130,600, respectively. The bonds mature on June 1, 2027.

5. LONG-TERM DEBT, Continued

B. Governmental Activities, Continued

The annual debt service requirement on the 2013 Pension Obligation Bonds is as follows:

For The Year Ending June 30	2013 Pension Obligation Bonds Principal	Interest	Total
2026	$ 1,090,000	$ 88,800	$ 1,178,800
2027	1,130,000	45,200	1,175,200
Subtotal	2,220,000	134,000	2,354,000
Less Discount	(39,036)	-	(39,036)
Total	$ 2,180,964	$ 134,000	$ 2,314,964

<u>Direct Borrowings</u>

2022 Fire Pumper Truck

In June 2022, the City entered into a $1,600,000 capital lease-purchase agreement with Western Alliance Equipment Finance, Inc., to purchase two fire pumper trucks. Principal payments are due semi-annually on December 1 and June 1 with an interest rate of 3.35%. The debt payments are made by the debt service fund. The first payment on the debt was December 1, 2022, and will be paid in full on June 1, 2032. During the fiscal year ended June 30, 2025, the City made principal and interest payments totaling $251,962 and $43,038, respectively.

The annual debt service requirement on the 2022 fire pumper trucks borrowing is as follows:

For The Year Ending June 30	2022 Fire Pumper Trucks Obligation Principal	Interest	Total
2026	$ 151,531	$ 38,086	$ 189,617
2027	156,650	32,967	189,617
2028	161,942	27,676	189,618
2029	167,412	16,550	183,962
2030-2032	536,939	15,364	552,303
Total	$ 1,174,474	$ 130,643	$1,305,117

5. LONG-TERM DEBT, Continued

B. Governmental Activities, Continued

Subscription Based Information Technology Arrangements (SBITAs)

In fiscal year 2023, the City implemented GASB 96 by recording long-term subscription-based software contracts, At June 30, 2025, the City is under contract with Axon enterprises for police software.

City had a multiyear contract with a Microsoft vendor for Microsoft Office 365 that ended 09/2024. The City paid $14,075 for access to the software applications in the fiscal year ended June 30, 2025.

In November 2022, City entered into multiyear agreements with Axon enterprises for police camera software, and cloud storage expiring on 10/2027. The City paid $151,652 in the fiscal year ended June 30, 2025 to Axon for this technology.

The future payments on the aforementioned SBITA liabilities are as follows:

For The Year	SBITA Liability		
Ending June 30	Principal	Interest	Total
2026	$ 137,685	$ 13,966	$ 151,651
2027	143,123	7,056	150,179
Total	$ 280,808	$ 21,022	$ 301,830

C. Business-Type Activities

2017 Water Revenue Bonds

In December 2017, the San Bruno Public Financing Authority issued $11.62 million of Series 2017 Water Revenue Bonds to finance the construction of certain improvements to the Water System. Principal payments commenced on July 1, 2018 and are payable annually on July 1. Interest payments are payable on July 1st and January 1st of each year.

The Bonds are payable solely from the Net Revenues of the Water System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. During the fiscal year ended June 30, 2025, the City made principal and interest payments totaling $250,000 and $427,800, respectively. The bonds mature on July 1, 2047.

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

The annual debt service requirement on the bonds is as follows:

For the Year Ending June 30	2017 Water Revenue Principal	Interest	Total
2026	$ 260,000	$ 415,050	$ 675,050
2027	275,000	401,675	676,675
2028	290,000	387,550	677,550
2029	305,000	372,675	677,675
2030	320,000	357,050	677,050
2031-2035	1,845,000	1,527,425	3,372,425
2036-2040	2,235,000	1,140,950	3,375,950
2041-2045	2,705,000	657,900	3,362,900
2046-2048	1,895,000	115,500	2,010,500
Subtotal	10,130,000	5,375,775	15,505,775
Plus Premium	955,760	-	955,760
Total	$ 11,085,760	$ 5,375,775	$ 16,461,535

2017 Wastewater Revenue Bonds

In December 2017, the San Bruno Public Financing Authority issued $24.47 million of Series 2017 Wastewater Revenue Bonds to finance the construction of certain improvements to the Wastewater System. Principal payments commenced on July 1, 2018 and are payable annually on July 1. Interest payments are payable on July 1st and January 1st.

The Bonds are payable solely from Net Revenues of the Wastewater System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. During the fiscal year ended June 30, 2025, the City made principal and interest payments totaling $525,000 and $901,325, respectively. The bonds mature on July 1, 2047.

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

The annual debt service requirement on the bonds is as follows:

For the Year Ending June 30	2017 Wastewater Revenue Principal	Interest	Total
2026	$ 550,000	$ 874,450	$ 1,424,450
2027	580,000	846,200	1,426,200
2028	610,000	816,450	1,426,450
2029	640,000	785,200	1,425,200
2030	670,000	752,450	1,422,450
2031-2035	3,890,000	3,219,550	7,109,550
2036-2040	4,710,000	2,404,950	7,114,950
2041-2045	5,700,000	1,387,000	7,087,000
2046-2048	3,995,000	243,900	4,238,900
Subtotal	21,345,000	11,330,150	32,675,150
Plus Premium	2,013,279	-	2,013,279
Total	$ 23,358,279	$ 11,330,150	$ 34,688,429

2013 Wastewater Revenue Refunding Bonds

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

The Bonds are payable solely from Net Revenues of the Wastewater System. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. During the fiscal year ended June 30, 2025, the City made principal and interest payments totaling $365,000 and $170,350 respectively. The bonds mature on July 1, 2032.

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

The annual debt service requirement on the bonds is as follows:

For the Year Ending June 30	2013 Wastewater Revenue Refunding		
	Principal	Interest	Total
2026	$ 380,000	$ 151,725	$ 531,725
2027	405,000	132,100	537,100
2028	425,000	113,475	538,475
2029	440,000	95,900	535,900
2030	460,000	77,050	537,050
2031-2033	1,495,000	102,713	1,597,713
Subtotal	3,605,000	672,963	4,277,963
Plus Premium	143,004	-	143,004
Total	$ 3,748,004	$ 672,963	$ 4,420,967

City of South San Francisco Sewer Plant Agreement

The City entered into a joint-ownership agreement with the City of South San Francisco (SSF) to operate a water quality control plant and appurtenant facilities to service both communities. The agreement was entered into in January 1947 and has numerous subsequent amendments that detail various aspects in sharing the capital investment (including related debt service) and operating expenses related to the joint sewage plant. Operating costs of the enterprise are shared in accordance with a formula and division of operation and maintenance cost set forth in an agreement dated April 3, 1972. The most recent arrangement indicates that the City shares in 25.82% of the plant capacity. There are no separately issued financial statements for this agreement.

To finance the expansion of the water quality control plant, the State Water Resources Control Board issued loans directly to SSF totaling $73,091,753, ($21.9 million in April 2007, and $51.2 million in October 2023). Loan proceeds were disbursed as the projects progressed and debt service payments commenced one year after project completion. As a result of the joint ownership agreement, the City is obligated to SSF for its portion of the loans annually in April and October, respectively, for the 2007 and 2023 loans. The City's portion that was financed through these agreements totaled $20,939,623 payable over 20-year periods. During fiscal year 2024-25, the City made principal and interest payments totaling $1,025,404, and $259,755, respectively. The 2007 loan will be paid in full on April 30, 2026, and the 2023 loan will be paid in full on October 3, 2042.

5. LONG-TERM DEBT, Continued

C. Business-Type Activities, Continued

The City's annual debt service requirements on the loans are as follows:

For the Year Ending June 30	2007 Loan South San Francisco Principal	Interest	Total
2026	$ 447,288	$ 11,182	$ 458,470
Total	$ 447,288	$ 11,182	$ 458,470

For the Year Ending June 30	2023 Loan South San Francisco Principal	Interest	Total
2026	$ 599,628	$ 227,060	$ 826,688
2027	610,421	216,267	826,688
2028	621,408	205,279	826,687
2029	632,594	194,094	826,688
2030	643,980	182,707	826,687
2031-2035	3,398,006	735,433	4,133,439
2036-2040	3,715,036	418,403	4,133,439
2041-2043	2,393,390	86,674	2,480,064
Total	$ 12,614,463	$ 2,265,917	$14,880,380

D. Fiduciary Funds

The following is a summary of the Redevelopment Obligation Retirement Fund's long-term debt transactions for the year ended June 30, 2025:

	Balance June 30, 2024	Retirements	Balance June 30, 2025	Amount due within one year
2019 Lease Revenue Bonds	$ 3,000,000	$ (375,000)	$ 2,625,000	$ 395,000
Premium on Refunding Bond	366,954	(52,422)	314,532	-
Total Fiduciary Activity	$ 3,366,954	$ (427,422)	$ 2,939,532	$ 395,000

5. LONG-TERM DEBT, Continued

D. Fiduciary Funds, Continued

2019 Lease Revenue Bonds

In 2000, the Redevelopment Agency issued Certificates of Participation, Series 2000 (Police Facility Financing) in the original principal amount of $9,600,000 to fund the construction of the Police Facility. In March 2019, the Redevelopment Agency paid off the remaining balance of $6 million of the 2000 Certificates of Participation by placing the proceeds of the new Lease Revenue Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. All of the amounts held in the escrow fund were applied to pay the prepayment price of the 2000 Certificates and, therefore, the 2000 Certificates of Participation were paid off as of June 30, 2019.

Principal payments are due annually on the Lease Revenue Bonds on May 1 and interest payments are due semi-annually on May 1 and November 1. Interest rates range from 4.00% to 5.00%. During the fiscal year ended June 30, 2025, the Redevelopment Agency made principal and interest payments totaling $375,000, and $129,450, respectively.

The Bonds are payable from any source of available funds of the Redevelopment Agency. The bond covenants contain events of default that require the revenue of the Redevelopment Agency to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the Redevelopment Agency to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the Redevelopment Agency; or if any court or competent jurisdiction shall assume custody or control of the Redevelopment Agency.

	2019 Lease Revenue Bonds		
For the Year Ending June 30	Principal	Interest	Total
2026	$ 395,000	$ 114,450	$ 509,450
2027	410,000	98,650	508,650
2028	430,000	82,250	512,250
2029	445,000	65,050	510,050
2030	460,000	47,250	507,250
2031	485,000	24,250	509,250
Subtotal	2,625,000	431,900	3,056,900
Add Premium	314,532	-	314,532
Total	$ 2,939,532	$ 431,900	$ 3,371,432

6. NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis.

6. NET POSITION AND FUND BALANCES, Continued

A. Net Position

Net Position is the excess of all the City's assets and deferred outflows, if any, over all its liabilities and deferred inflows, if any, regardless of fund. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide 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.

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

B. Fund Balances

The City's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances 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, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for resale 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. Nonspendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by resolution of the City Council which may be altered only by resolution of the City Council. Nonspendable amounts subject to council commitments are included along with spendable resources.

6. NET POSITION AND FUND BALANCES, Continued

B. 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. Through a Council Resolution, the City Council has designated the City Manager to determine the amount of assigned fund balances.

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

C. Spending Order Policy

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

D. Encumbrances

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Encumbrance accounting is utilized to the extent necessary to ensure effective budgetary control and accountability and to facilitate effective cash planning and control. Unexpended appropriations lapse at year-end and must be re-appropriated in the following year. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Funds	Amount
Major Funds:	
General Fund	$ 313,192
Street Improvement Capital Projects	3,557,167
Total Major Funds	3,870,359
Non-Major Funds:	
Other non-major funds	2,901,245
Total Non-Major Funds	2,901,245
Total	$ 6,771,604

6. NET POSITION AND FUND BALANCES, Continued

E. Fund Balance Classifications

Detailed classifications of the City's fund balance, as of June 30, 2025, are below:

Fund Balance Classifications	General Fund	Developer Agreements and Impact Fees	Street Improvement	Other Governmental Funds	Total
Nonspendables:					
Advances to other funds	$ 2,000,000	$ -	$ -	$ -	$ 2,000,000
Loans receivable	926,596	-	-	-	926,596
Total Nonspendable Balances	2,926,596	-	-	-	2,926,596
Restricted for:					
Special Revenue Programs	-	15,253,715	-	11,108,200	26,361,915
Capital Projects	-	-	4,985,434	2,281,224	7,266,658
Affordable Housing Activities	-	10,357,597	-	4,716,919	15,074,516
Total Restricted Fund Balances	-	25,611,312	4,985,434	18,106,343	48,703,089
Committed for:					
Community Development	-	-	-	645,340	645,340
Debt Service	-	-	-	6,702	6,702
Total Committed Fund Balances	-	-	-	652,042	652,042
Assigned to:					
One-Time Revenue Reserve	9,353,429	-	-	-	9,353,429
Capital Projects	-	9,973,109	2,372,949	8,807,641	21,153,699
Encumbrances	313,192	-	-	-	313,192
Total Assigned Fund Balances	9,666,621	9,973,109	2,372,949	8,807,641	30,820,320
Contingency Reserve	10,839,919	-	-	-	10,839,919
Budget Stabilization	12,603,866	-	-	-	12,603,866
Unassigned	30,040,053	-	-	(3,212,432)	26,827,621
Total Unassigned Fund Balances	53,483,838	-	-	(3,212,432)	50,271,406
Total Fund Balances	$ 66,077,055	$ 35,584,421	$ 7,358,383	$ 24,353,594	$ 133,373,453

6. NET POSITION AND FUND BALANCES, Continued

E. Fund Balance Classifications, Continued

General Fund Reserves

In October 2024, the City established reserve funds in accordance with the objectives as outlined below. The funding levels outlined in this policy are goals and it is the City's intent to maintain its reserves at the prescribed levels; compliance with this policy will be evaluated annually upon final closing of the City's financial books for the fiscal year.

Contingency Reserve – The Contingency Reserve was established with a goal of maintaining a target fund balance of 10% of the budgeted General Fund expenditures and is intended to be used for non-fiscal emergencies and disasters. The Contingency Reserve can only be utilized through resolution of the City Council. While intended for non-financial emergencies or disasters, the Contingency Reserve can be utilized for other purposes at Council discretion. At June 30, 2025, the Contingency Reserve was $10,839,919.

Budget Stabilization Reserve – The Budget Stabilization Reserve is established to shield the General Fund from adverse economic fluctuations, ensuring minimal immediate impacts on service levels. This reserve aims to maintain a target balance of at least 20% of budgeted expenditures at the start of each fiscal year.

Utilization of the Budget Stabilization Reserve will occur in response to budgeted revenue shortfalls stemming from economic volatility or unforeseen financial events. Reports on its use will be presented to the City Council through the mid-year financial report and/or during the budget adoption process for the ensuing fiscal year.

Should the Budget Stabilization Reserve be employed, causing it to dip below the 20% target, a strategic plan will be devised to restore the balance to the desired level. Depending on the situation, this restoration plan may span multiple fiscal years, aligning with the fund's role in a broader multi-year forecasting strategy. This strategy aims to fortify fiscal sustainability and uphold consistent service levels.

At June 30, 2025, the Budget Stabilization Reserve was $12,603,866.

One-Time Revenue Reserve – The One-Time Revenue Reserve shall be established to set aside one-time revenues until the point at which point they can be appropriated by City Council for one-time uses. One-time revenues that have a legal restriction for their use or are otherwise dedicated for a particular purpose will be held in a separate special revenue fund. One-time revenues will be approved by Council, either through the budget adoption process or by a separate resolution, for inclusion into the One-Time Revenue Reserve. As a part of the annual budget process, this reserve will be reviewed along with existing unfunded capital projects for consideration of an appropriation from this reserve in the forthcoming budget. In general, the purpose of this reserve is for it to be used for projects and initiatives throughout the City that have no other identifiable funding source. At June 30, 2025, the One Time Revenue Reserve was $9,353,429.

Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled. The total encumbrances at June 30, 2025 were $6,771,604.

6. NET POSITION AND FUND BALANCES, Continued

F. Net Position and Fund Balance Deficits

The City has a total deficit net position of $5,238,790 in the Self Insurance and Central Garage Internal Service Funds which will be remedied by future cost allocations from other funds.

The City has a total deficit fund balance of $3,212,432 in the nonmajor Federal/State Grants, Agency on Aging and Recreation and Aquatic Center Special Revenue Funds. The intent is that these deficits will be funded by future revenues.

G. Excess of Expenditures and Transfers Out Over Appropriations

The following expenditures exceeded budgeted amounts for the fiscal year ended June 30, 2025:

Fund/Department	Expenditures/Transfers Out Exceeding Budget
Non-major governmental funds:	
Agency on Aging	$ 228,086.00

7. RISK MANAGEMENT

The City participates in the PLAN JPA, a joint powers authority established to provide liability insurance coverage, claims, risk management, and legal defense to its participating members. PLAN JPA provides $5,000,000 per occurrence of general liability and automobile coverage, $25,000,000 excess liability coverage per occurrence, $5,000,000 of catastrophic liability coverage, and is responsible for paying the claims in excess of the City's $100,000 self-insurance retention. PLAN JPA also provides for property coverage up to $1 billion per occurrence subject to lower categorical sub-limits in excess of the City's self-insurance retention of $5,000 or property and vehicle loss.

The retained earnings/net position of the Self-Insurance Fund, which is categorized as part of Governmental Activities, represent amounts set aside for possible additional losses after providing for actuarially determined liabilities for claims including claims adjustment expenses.

7. RISK MANAGEMENT, Continued

No claim settlement exceeded either this self-insured amount or the insurance coverage for any of the past three years. As of June 30, 2025, claims payable are as follows:

Claims payable June 30, 2023	$ 5,023,000
Changes to estimated claims liability	1,467,121
Claims paid	(890,121)
Claims payable June 30, 2024	5,600,000
Changes to estimated claims liability	2,470,607
Claims paid	(1,456,607)
Claims payable June 30, 2025	$ 6,614,000
Current Portion	$ 1,623,000

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

A. General Information about the Pension Plans and Summary of Balances by Plan

The City participates in the following Pension Plans (Plans) administered by the California Public Employees Retirement System (CalPERS):

Agent Multiple-Employer Defined Benefit Pension Plans (Miscellaneous Plan) for its Miscellaneous employees.

An agent multiple-employer plan is one in which the assets of the participating government employers are pooled for investment purposes, but separate accounts are maintained for each individual employer.

Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Safety Plan) for its Safety employees.

A cost-sharing multiple-employer defined benefit pension plan is a plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay benefits of the employees of any employer that provides pensions through the plan.

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

B. Actuarial Assumptions and Discount Rate

Actuarial Assumptions – For the measurement period ended June 30, 2024, the total pension liabilities were determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2024 total pension liabilities were based on the following actuarial methods and assumptions:

	All CalPERS Plans
Valuation Date	6/30/2023
Measurement Date	6/30/2024
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Morality Rate Table(1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Lesser of Contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

(1)The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability for each Plan as of the measurement date of June 30, 2024 was 6.90%. The projection of cash flows used to determine the discount rate for the Plans assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability for each Plan.

In determining the long-term expected rate of return, CalPERS took into account both long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

B. Actuarial Assumptions and Discount Rate, Continued

The expected real rates of return by asset class are as follows:

Asset Class(a)	Assumed Asset Allocation	Real Return Years 1,2
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12%	3.84
Private Equity	13%	7.28
Treasury	5%	0.27
Mortgage-backed Securities	5%	0.50
Investment Grade Corporates	10%	1.56
High Yield	5%	2.27
Emerging Market Debt	5%	2.48
Private Debt	5%	3.57
Real Assets	15%	3.21
Leverage	-5%	(0.59)
Total	100%	

(1) An expected inflation of 2.30% is used this period.

(2) Figures are based on the 2021-22 Asset Liability Management Study.

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 plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Below is a summary of the deferred outflows of resources, net pension liabilities and deferred inflows of resources, and pension expense by Plan:

	Deferred Outflows of Resources	Net Pension Liability/Proportionate Share of the Net Pension Liability	Deferred Inflows of Resources	Pension Expense
Miscellaneous	$ 10,326,419	$ 55,855,588	$ -	$ 8,838,445
Safety	20,505,947	65,677,173	1,440,060	13,106,681
	$ 30,832,366	$ 121,532,761	$ 1,440,060	$ 21,945,126

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

B. Actuarial Assumptions and Discount Rate, Continued

A summary of the changes in net pension liability by plan type as of June 30, 2024 and June 30, 2025 are as follows:

Net Pension Liability	Miscellaneous	Safety	Total - Both Plans
6/30/2024	$ 57,392,643	$ 66,463,634	$ 123,856,277
6/30/2025	55,855,588	65,677,173	121,532,761
Change-Increase (Decrease)	$ (1,537,055)	$ (786,461)	$ (2,323,516)

C. CalPERS Miscellaneous Plan

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the City's Miscellaneous Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Miscellaneous Plan are established by State statute and the City's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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

The Miscellaneous Plan's provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Miscellaneous	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefit, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	12.220%	11.860%
Required UAL payment	$4,736,567	$0

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

Beginning in fiscal year 2016, CalPERS collects employer contributions for the miscellaneous plan as a percentage of the payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability. The dollar amounts are billed on a monthly basis or can be prepaid in full no later than July 31.

Employees Covered – At the measurement date June 30, 2024, the following employees were covered by the benefit terms of the Miscellaneous Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	306
Inactive employees entitled to but not yet receiving benefits	219
Active employees	160
Total	685

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.

Net Pension Liability - The City's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Miscellaneous Plan is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures.

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

Changes in Net Pension Liability – The changes in Net Pension Liability for the Miscellaneous Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2023 (Measurement Date)	$ 175,948,250	$ 118,555,607	$ 57,392,643
Changes in the year:			
Service cost	3,188,767	-	3,188,767
Interest on the total pension liability	12,067,204	-	12,067,204
Differences between actual and expected experience	2,338,704	-	2,338,704
Contribution - employer	-	6,371,018	(6,371,018)
Contribution - employee	-	1,397,147	(1,397,147)
Net investment income	-	11,460,034	(11,460,034)
Benefit payments, including refunds of employee contributions	(9,988,632)	(9,988,632)	-
Administrative expense	-	(96,469)	96,469
Net changes	7,606,043	9,143,098	(1,537,055)
Balance at June 30, 2024 (Measurement Date)	$ 183,554,293	$ 127,698,705	$ 55,855,588

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, 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 one-percentage point lower or one-percentage point higher than the current rate:

1% Decrease	5.90%
Net Pension Liability	$ 80,227,618
Current Discount Rate	6.90%
Net Pension Liability	$ 55,855,588
1% Increase	7.90%
Net Pension Liability	$ 35,794,043

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

C. CalPERS Miscellaneous Plan, Continued

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions - For the year ended June 30, 2025, the City recognized pension expense of $8,838,445 for the Miscellaneous Plan. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,020,289	$ -
Differences between actual and expected experience	1,606,226	-
Net difference between projected and actual earnings on plan investments	1,699,904	-
Total	$ 10,326,419	$ -

A total of $7,020,289 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 ending June 30, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized as a reduction to pension expense (income) as follows:

Year Ended June 30	
2026	$ 915,686
2027	3,591,710
2028	(529,108)
2029	(672,158)

D. CalPERS Safety Plan

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (CalPERS Plan) administered by the California Public Employees' Retirement System (CalPERS). The CalPERS Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool and a safety risk pool. CalPERS Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous risk pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. The City sponsors two rate plans (two 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.

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety 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 Safety Plan provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Safety	
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 service years	5 service years
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefit, as a % of eligible compensation	3.0%	2.0% - 2.7%
Required employee contribution rates	9.0%	13.0%
Required employer contribution rates	27.320%	13.760%
Required UAL payment	$5,108,978	$26,311

CalPERS collects employer contributions for the CalPERS 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. The dollar amounts are billed on a monthly basis or can be prepaid in full no later than July 31. The City's required contribution for the unfunded liability for the Safety Plan was $4,337,977 in fiscal year 2025.

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 CalPERS 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 measurement period ended June 30, 2024, contributions to the Safety Plan were $7,350,579.

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Safety Plan and additions to/deductions from the Safety Plan's 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.

As of June 30, 2025, the City reported net pension liability for its proportionate share of the net pension liability of the Safety Plan of $65,677,173.

The City's net pension liability for the Safety Plan is measured as the proportionate share the total net pension liability of the CalPERS Plan. The net pension liability is measured as of June 30, 2024, and the total pension liability for the CalPERS Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The City's proportion of the net pension liability was based on the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability as of the measurement dates June 30, 2023 and 2024 were as follows:

	Safety Plan
Proportion - June 30, 2023	0.53276%
Proportion - June 30, 2024	0.54156%
Change - Increase (Decrease)	0.00880%

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

For the year ended June 30, 2025, the City recognized pension expense of $13,106,681 for the Safety Plan. On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 7,995,290	$ -
Differences between actual and expected experience	5,359,575	174,269
Changes in assumptions	1,618,151	-
Net differences between projected and actual earnings on plan investments	3,174,535	-
Change in Employer's Proportion	540,567	664,380
Differences between actual contributions and proportional contributions	1,817,829	601,411
Total	$ 20,505,947	$ 1,440,060

A total of $7,995,290 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 ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense (income) as follows:

Year Ending June 30,	
2026	$ 4,286,136
2027	7,733,317
2028	137,590
2029	(1,086,446)

<u>*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*</u> – The following presents the City's proportionate share of the net pension liability, 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 one-percentage point lower or one-percentage point higher than the current rate:

	Safety
1% Decrease	5.90%
Net Pension Liability	$ 95,368,929
Current Discount Rate	6.90%
Net Pension Liability	$ 65,677,173
1% Increase	7.90%
Net Pension Liability	$ 41,393,492

8. PUBLIC EMPLOYEES' RETIREMENT SYSTEM, Continued

D. CalPERS Safety Plan, Continued

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

9. OTHER POST-EMPLOYMENT DEFINED BENEFIT PLAN

Plan Description - The City of San Bruno contracts with the Teamsters Local #856 Health and Welfare Trust Fund to provide health benefits to both active and retired employees as a defined benefit plan. The City provides no direct financial contribution towards retiree health benefits; however, due to retirees and active employees being insured in the same pool, it indirectly subsidizes their premiums through payments for current employees.

Eligibility: - Employees (and their dependents) are eligible for retiree health benefits if they retire from the City on or after age 55 with at least 10 years of service (with 12 continuous months prior to date of retirement) and are eligible for a CalPERS pension. Membership of the plan consisted of the following at June 30, 2025:

Current Retirees	105
Active employees	242
Total	347

Premiums for eligible retirees vary based on years of service, plan selected, eligibility for Medicare, and the number of eligible dependents covered under the retiree medical program, with monthly premiums up to $779 for those under the age of 60 and up to an additional $275 per eligible dependent.

City's Funding Policy - The Teamsters Local #856 Health and Welfare Trust Fund determines the contribution requirements of the City. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For fiscal year 2024-25 the City's actual contribution to the Teamsters Local #856 Health and Welfare Fund was $7,986,827, which includes the calculated benefit cost for the City's retirees and the cost of implicit subsidies where applicable.

Annual OPEB Cost and Net OPEB Liability - The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The City does not record a net OPEB liability due to the inability to obtain information from the Teamsters Local #856 Health and Welfare Trust Fund in order to measure the liability.

10. CONTINGENCIES

The City participates in a number of Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2025, some amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

11. LITIGATION

The City is a defendant in a number of lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

On April 17, 2023 the California Department of Tax & Fee Administration (CDTFA) issued a reallocation notice to the City and Walmart.com USA (Walmart) in the amount of approximately $27.5 million which states that certain sales tax should be reallocated to other jurisdictions. The City and Walmart filed a Verified Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief on October 26, 2023 to find the City's allocation of local sales taxes is proper. If the City and Walmart lose the case, the City would owe up to approximately $20.9 million to the CDTFA to be redistributed.

12. RESTATEMENTS OF FUND BALANCE AND NET POSITION

In the fiscal year ended June 30, 2025, the Parks and Facilities and Technology Capital Improvement Fund previously reported as a major fund did not meet the criteria to for major funds and is now reported as nonmajor.

For the City’s implementation of GASB 101 – Compensated Absences, the City restated the beginning balances for the Water Fund, Wastewater fund and the Governmental Activities to account for estimated future usage of sick and administrative leaves in addition to vacation and compensatory leaves.

Additionally, the City made two error corrections in fiscal year 2024-25. The first correction was to reclassify $475,662 of expenditures on the Centennial Plaza Improvements project from the Street Improvement Capital Projects Fund to the Parks and Facilities and Technology Capital Improvement Fund.

The second correction was to recognize prior year unbilled revenues in the Wastewater and Water funds. Amounts due from customers were not recorded in accounts receivable and revenues. Instead, when payments were received, the City reduced accounts receivable and increased cash. Thus, the balance in accounts receivable was understated. Accounts receivable was understated in prior years by $958,597 in the Water Fund and $1,780,523 in the Wastewater Fund, and revenue was understated by those same amounts.

Please see the following page for the effect on fund balance and net position for these changes.

12. RESTATEMENTS OF FUND BALANCE AND NET POSITION, Continued

Fund Statements

	Street Improvement Capital Projects	Parks and Facilities and Technology Capital Improvement	Water	Wastewater	CityNet	Nonmajor Enterprise	Nonmajor Governmental
June 30, 2024, as previously reported	$ 13,719,948	$ 9,219,206	$ 75,659,429	$ 79,911,694	$ 1,571,988	$ 8,519,697	$ 11,657,200
Change from major to nonmajor fund	-	(9,219,206)	-	-	-	-	9,219,206
Implementation of GASB 101	-	-	(34,727)	(12,073)	2,108	(4,061)	-
Correction of expenditures allocated to fund	475,662	-	-	-	-	-	(475,662)
Correction of Accounts Receivable	-	-	958,597	1,780,523	-	-	-
June 30, 2024, as restated	$ 14,195,610	$ -	$ 76,583,299	$ 81,680,144	$ 1,574,096	$ 8,515,636	$ 20,400,744

Government-wide Statements

	Governmental Activities	Business-type Activities
June 30, 2024, as previously reported	$ 176,741,862	$ 167,408,644
Implementation of GASB 101	(511,981)	(48,753)
Correction of Accounts Receivable	-	2,739,120
June 30, 2024, as restated	$ 176,229,881	$ 170,099,011

13. SUBSEQUENT EVENT

In March 2025, the City executed an agreement to sell the City's CityNet Enterprise Fund to Comcast. The City is currently in a transition period for the sale and the transaction is expected to close December 31, 2025.

REQUIRED SUPPLEMENTARY INFORMATION

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City of San Bruno
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
General Fund
For the year ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Taxes	$ 47,347,324	$ 47,347,324	$ 48,923,037	$ 1,575,713
Licenses and permits	3,239,500	3,239,500	3,651,136	411,636
Intergovernmental and grants	5,499,452	5,499,452	6,299,037	799,585
Charges for services	2,035,963	2,035,963	3,354,749	1,318,786
Fines and forfeitures	1,620,152	1,620,152	937,116	(683,036)
Use of money and property	4,598,200	4,598,200	8,967,607	4,369,407
Other revenues	140,969	140,969	398,014	257,045
Total revenues	64,481,560	64,481,560	72,530,696	8,049,136
EXPENDITURES:				
Current:				
General government	12,888,552	12,967,593	11,599,685	1,367,908
Public safety	33,158,904	33,623,840	33,109,212	514,628
Public works	1,542,125	1,640,984	1,583,990	56,994
Streets	2,673,722	2,717,126	2,285,308	431,818
Parks and recreation	4,801,076	4,970,868	4,642,063	328,805
Library	2,353,516	2,353,516	2,244,810	108,706
Community and economic development	-	176,911	7,870	169,041
Capital outlay	551,629	1,353,787	943,831	409,956
Total expenditures	57,969,524	59,804,625	56,416,769	3,387,856
REVENUES OVER (UNDER) EXPENDITURES	6,512,036	4,676,935	16,113,927	11,436,992
OTHER FINANCING SOURCES (USES):				
Transfers in	2,407,585	2,738,228	1,687,868	(1,050,360)
Transfers out	(15,143,119)	(16,232,787)	(13,561,932)	2,670,855
Proceeds from sale of property	-	-	999,985	999,985
Total other financing sources (uses)	(12,735,534)	(13,494,559)	(10,874,079)	2,620,480
Net change in fund balances	$ (6,223,498)	$ (8,817,624)	5,239,848	$ 14,057,472
FUND BALANCES:				
Beginning of year			60,837,207	
End of year			$ 66,077,055	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Developer Agreements and Impact Fees Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Licenses and permits	$ 500,000	$ 500,000	$ 61,518	$ (438,482)
Use of money and property	489,000	489,000	1,040,270	551,270
Total revenues	989,000	989,000	1,101,788	112,788
REVENUES OVER (UNDER) EXPENDITURES	989,000	989,000	1,101,788	112,788
OTHER FINANCING SOURCES (USES):				
Transfers in	-	21,397	158,709	137,312
Transfers out	(1,388,000)	(1,523,000)	(1,548,000)	(25,000)
Total other financing sources (uses)	(1,388,000)	(1,501,603)	(1,389,291)	112,312
Net change in fund balances	$ (399,000)	$ (512,603)	(287,503)	$ 225,100
FUND BALANCES:				
Beginning of year			35,871,924	
End of year			$ 35,584,421	

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Miscellaneous Plan

Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years

Measurement Period	2015	2016	2017
TOTAL PENSION LIABILITY			
Service cost	$ 2,097,851	$ 2,139,755	$ 2,531,862
Interest	8,305,341	8,778,896	9,108,648
Differences between expected and actual experience	505,056	934,779	(667,604)
Changes of benefit terms	-	-	-
Changes in assumptions	(2,047,078)	-	7,626,708
Benefit payments, including refunds of employee contributions	(5,034,556)	(5,302,771)	(5,571,094)
Net change in the total pension liability	3,826,614	6,550,659	13,028,520
Total pension liability - beginning	111,576,919	115,403,533	121,954,192
Total pension liability - ending (a)	$ 115,403,533	$ 121,954,192	$ 134,982,712
PLAN FIDUCIARY NET POSITION			
Contributions - employer	$ 2,511,337	$ 2,864,024	$ 3,286,539
Contributions - employee	968,827	995,641	1,021,113
Net investment income	1,866,002	415,562	9,203,409
Plan to plan resource movement	-	-	-
Benefit payments, including refunds of employee contributions	(5,034,556)	(5,302,771)	(5,571,094)
Administrative expense	(94,139)	(50,953)	(121,842)
Other miscellaneous income (expense)	(4)	(1,791)	-
Net change in plan fiduciary net position	217,467	(1,080,288)	7,818,125
Plan fiduciary net position - beginning	83,387,543	83,605,010	82,524,722
Plan fiduciary net position - ending (b)	$ 83,605,010	$ 82,524,722	$ 90,342,847
Net pension liability - ending (a) - (b)	$ 31,798,523	$ 39,429,470	$ 44,639,865
Plan fiduciary net position as a percentage of the total pension liability	72.45%	67.67%	66.93%
Covered payroll	$ 11,746,858	$ 12,768,781	$ 12,661,824
Net pension liability as a percentage of covered payroll	270.70%	308.80%	352.55%

Notes to the Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2022, CalPERS reduced the discount rate to 6.9% from 7.15%. In 2018, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65% to 7.15%. In 2016, 2018, 2019, and 2020, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts were based on the 7.5% discount rate.

2018	2019	2020	2021	2022	2023	2024
$ 2,492,070	$ 2,432,199	$ 2,514,610	$ 2,603,128	$ 2,806,527	$ 2,772,551	$ 3,188,767
9,431,890	9,905,673	10,324,053	10,739,952	11,107,354	11,553,741	12,067,204
(431,451)	1,352,032	-	613,120	(100,106)	1,002,142	2,338,704
-	-	-	-	-	201,350	-
(862,136)	-	856,075	-	5,510,831	-	-
(6,041,230)	(7,198,215)	(7,569,113)	(7,789,485)	(8,387,442)	(8,874,582)	(9,988,632)
4,589,143	6,491,689	6,125,625	6,166,715	10,937,164	6,655,202	7,606,043
134,982,712	139,571,855	146,063,544	152,189,169	158,355,884	169,293,048	175,948,250
$ 139,571,855	$ 146,063,544	$ 152,189,169	$ 158,355,884	$ 169,293,048	$ 175,948,250	$ 183,554,293
$ 3,493,382	$ 4,025,948	$ 4,630,765	$ 5,012,295	$ 5,379,704	$ 5,939,643	$ 6,371,018
1,025,190	1,014,107	1,144,051	1,051,962	1,106,909	1,143,911	1,397,147
7,685,495	6,290,148	5,016,150	23,324,110	(9,370,622)	7,041,795	11,460,034
(223)	-	-	-	-	-	-
(6,041,230)	(7,198,215)	(7,569,113)	(7,789,485)	(8,387,442)	(8,874,582)	(9,988,632)
(140,779)	(68,577)	(141,202)	(103,132)	(77,704)	(83,380)	(96,469)
(267,342)	223	-	-	-	-	-
5,754,493	4,063,634	3,080,651	21,495,750	(11,349,155)	5,167,387	9,143,098
90,342,847	96,097,340	100,160,974	103,241,625	124,737,375	113,388,220	118,555,607
$ 96,097,340	$ 100,160,974	$ 103,241,625	$ 124,737,375	$ 113,388,220	$ 118,555,607	$ 127,698,705
$ 43,474,515	$ 45,902,570	$ 48,947,544	$ 33,618,509	$ 55,904,828	$ 57,392,643	$ 55,855,588
68.85%	68.57%	67.84%	78.77%	66.98%	67.38%	69.57%
$ 12,736,637	$ 13,803,211	$ 14,427,436	$ 14,301,123	$ 14,353,672	$ 15,988,755	$ 18,474,567
341.33%	332.55%	339.27%	235.08%	389.48%	358.96%	302.34%

Schedule of Pension Plan Contributions - Last 10 Years

	2016	2017	2018
Miscellaneous Plan			
Contractually required contribution	$ 2,864,024	$ 3,286,539	$ 3,493,382
Contributions in relation to the contractually required contributions	(2,864,024)	(3,286,539)	(3,493,382)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 12,768,781	$ 12,661,824	$ 12,736,637
Contributions as a percentage of covered payroll	22.43%	25.96%	27.43%
Notes to Schedule:			
Valuation date	6/30/2013	6/30/2014	6/30/2015

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years as of valuation date
Asset valuation method	5-year smoothed market
Inflation	2.75% for 2015 to 2019, 2.625% for 2020 and 2.50% for 2021 to 2022
Salary increases	Varies by entry age and service
Investment rate of return	7.50% for 2015 to 2018, 7.375% for 2019, 7.25% for 2020, and 7.00% for 2021 and 2022, net of pension plan investment expense, including inflation.
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the CalPERS Experience Study. Pre-retirement and Post-retirement mortality rate include 20 years of projected mortality improvement using Scale AA published by the Society of Actuaries for 2015 to 2018. For 2019 to 2022, pre-retirement age.

	2019	2020	2021	2022	2023	2024	2025
	$ 4,025,948	$ 4,630,765	$ 5,012,295	$ 5,366,996	$ 5,944,790	$ 6,373,267	$ 7,020,289
	(4,025,948)	(4,630,765)	(5,012,295)	(5,366,996)	(5,944,790)	(6,373,267)	(7,020,289)
	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	$ 13,803,211	$ 14,427,436	$ 14,301,123	$ 14,353,672	$ 15,988,755	$ 18,474,567	$ 18,794,735
	29.17%	32.10%	35.05%	37.39%	37.18%	34.50%	37.35%
	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022

Schedule of the City's Proportionate Share of the Net Pension Liability - Last Ten Fiscal Years

Safety Plan

Fiscal Year End:	6/30/2016	6/30/2017	6/30/2018
Measurement Date	6/30/2015	6/30/2016	6/30/2017
City's proportion of the net pension liability	0.43667%	0.44803%	0.44960%
City's proportionate share of the net pension liability	$ 29,972,706	$ 38,768,137	$ 44,587,858
City's covered payroll (plan year)	$ 8,733,422	$ 9,215,379	$ 9,360,496
City's proportionate share of the net pension liability as a percentage of its covered payroll	343.20%	420.69%	476.34%
Fiduciary net position as a percentage of the total pension liability	78.40%	74.06%	73.31%

Notes to the schedule:

The CalPERS discount rate increased from 7.5% to 7.65% in fiscal year 2016, decreased from 7.65% to 7.15% in fiscal year 2018, and decreased from 7.15% to 6.9% in fiscal year 2023.

The CalPERS mortality assumptions were adjusted in fiscal year 2019.

6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
0.46924%	0.47762%	0.49200%	0.63963%	0.53661%	0.53276%	0.54156%
$ 45,216,872	$ 48,942,165	$ 53,531,797	$ 34,593,086	$ 61,982,346	$ 66,463,634	$ 65,677,173
$ 8,768,759	$ 9,259,344	$ 9,977,457	$ 9,800,218	$ 11,785,003	$ 13,053,713	$ 14,830,412
515.66%	528.57%	536.53%	352.98%	525.94%	509.16%	442.85%
75.26%	75.26%	75.10%	88.29%	76.68%	76.21%	78.08%

Schedule of Pension Plan Contributions - Last 10 Years

	2016	2017	2018
Safety Plan			
Contractually required contribution (actuarially determined)	$ 1,681,684	$ 3,203,722	$ 3,682,068
Contributions in relation to contractually required contributions	(1,681,684)	(3,203,722)	(3,682,068)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered payroll	$ 9,215,379	$ 9,360,496	$ 8,768,759
Contributions as a percentage of covered payroll	18.25%	34.23%	41.99%

Notes to the Schedule:

Methods and assumptions used to determine contribution rates:

Valuation date (for contractually required contribution):	6/30/2013	6/30/2014	6/30/2015
Actuarial cost method:	Entry Age	Entry Age	Entry Age
Amortization method:	(1)	(1)	(1)
Assets valuation method:	Market Value	Market Value	Market Value
Inflation:	2.75%	2.75%	2.75%
Salary increases:	(2)	(2)	(2)
Investment rate of return:	7.50%	7.50%	7.50%
Retirement age:	(3)	(3)	(3)
Mortality:	(4)	(4)	(4)

(1) Level percentage of payroll, closed

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

(3) 50 for all plans, with the exception of 52 for Miscellaneous PEPRA 2%@62

(4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

2019	2020	2021	2022	2023	2024	2025
$ 4,282,040	$ 4,978,130	$ 5,482,002	$ 6,153,419	$ 6,866,039	$ 7,350,579	$ 7,995,290
(4,282,040)	(4,978,130)	(5,482,002)	(6,153,419)	(6,866,039)	(7,350,579)	(7,995,290)
$ -	$ -	$ -	$ -	$ -	$ -	$ -
$ 9,259,344	$ 9,977,457	$ 9,800,218	$ 11,785,003	$ 13,053,713	$ 14,830,412	$ 14,285,850
46.25%	49.89%	55.94%	52.21%	52.60%	49.56%	55.97%

6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022
Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
(1)	(1)	(1)	(1)	(1)	(1)	(1)
Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value
2.75%	2.63%	2.50%	2.50%	2.50%	2.50%	2.30%
(2)	(2)	(2)	(2)	(2)	(2)	(2)
7.375%	7.25%	7.00%	7.00%	7.00%	6.80%	6.80%
(3)	(3)	(3)	(3)	(3)	(3)	(3)
(4)	(4)	(4)	(4)	(4)	(4)	(4)

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SUPPLEMENTARY INFORMATION

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City of San Bruno
Combining Balance Sheet
General Fund
June 30, 2025

	General Fund Operating and Reserves	Measure G	General Fund Totals
ASSETS			
Cash and investments	$ 56,896,313	$ 638,067	$ 57,534,380
Cash and investments with fiscal agent	57,718	-	57,718
Receivables:			
Taxes	9,199,706	630,225	9,829,931
Accounts	533,851	-	533,851
Interest	872,295	-	872,295
Loans	926,596	-	926,596
Other	1,382,302	-	1,382,302
Due from other funds	3,590,531	-	3,590,531
Advances to other funds	2,000,000	-	2,000,000
Total assets	$ 75,459,312	$ 1,268,292	$ 76,727,604
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	7,844,566	-	7,844,566
Deposits payable	2,510,795	-	2,510,795
Unearned revenue	109,427	-	109,427
Other liabilities	185,761	-	185,761
Total liabilities	10,650,549	-	10,650,549
Fund Balances:			
Nonspendable	2,926,596	-	2,926,596
Assigned	9,666,621	-	9,666,621
Unassigned	52,215,546	1,268,292	53,483,838
Total fund balances	64,808,763	1,268,292	66,077,055
Total liabilities, deferred inflows of resources and fund balances	$ 75,459,312	$ 1,268,292	$ 76,727,604

City of San Bruno

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

General Fund

For the year ended June 30, 2025

	General Fund Operating and Reserves	Measure G	Intra-Fund Transactions Elimination	General Fund Totals
REVENUES:				
Taxes	$ 45,208,166	$ 3,714,871	$ -	$ 48,923,037
Licenses and permits	3,651,136	-	-	3,651,136
Intergovernmental and grants	6,299,037	-	-	6,299,037
Charges for services	3,354,749	-	-	3,354,749
Fines and forfeitures	937,116	-	-	937,116
Use of money and property	8,967,607	-	-	8,967,607
Other revenues	398,014	-	-	398,014
Total revenues	68,815,825	3,714,871	-	72,530,696
EXPENDITURES:				
Current:				
General government	11,599,685	-	-	11,599,685
Public safety	33,109,212	-	-	33,109,212
Public works	1,583,990	-	-	1,583,990
Streets	2,285,308	-	-	2,285,308
Parks and recreation	4,642,063	-	-	4,642,063
Library	2,244,810	-	-	2,244,810
Community and economic development	7,870	-	-	7,870
Capital outlay	943,831	-	-	943,831
Total expenditures	56,416,769	-	-	56,416,769
REVENUES OVER (UNDER) EXPENDITURES	12,399,056	3,714,871	-	16,113,927
OTHER FINANCING SOURCES (USES):				
Transfers in	1,807,056	74,717	(193,905)	1,687,868
Transfers out	(9,090,909)	(4,664,928)	193,905	(13,561,932)
Proceeds from sale of property	999,985	-	-	999,985
Total other financing sources (uses)	(6,283,868)	(4,590,211)	-	(10,874,079)
Net change in fund balances	6,115,188	(875,340)	-	5,239,848
FUND BALANCES:				
Beginning of year	58,693,575	2,143,632	-	60,837,207
End of year	$ 64,808,763	$ 1,268,292	$ -	$ 66,077,055

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City of San Bruno
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
General Fund
For the year ended June 30, 2025

	General Fund Operating and Reserves			
	Original Budget	Final Budget	Actual	Variance
REVENUES:				
Taxes	$ 43,547,324	$ 43,547,324	$ 45,208,166	$ 1,660,842
Licenses and permits	3,239,500	3,239,500	3,651,136	411,636
Intergovernmental	5,499,452	5,499,452	6,299,037	799,585
Charges for services	2,035,963	2,035,963	3,354,749	1,318,786
Fines and forfeitures	1,620,152	1,620,152	937,116	(683,036)
Use of money and property	4,598,200	4,598,200	8,967,607	4,369,407
Other revenues	140,969	140,969	398,014	257,045
Total revenues	60,681,560	60,681,560	68,815,825	8,134,265
EXPENDITURES:				
Current:				
General government	12,888,552	12,967,593	11,599,685	1,367,908
Public safety	33,158,904	33,623,840	33,109,212	514,628
Public works	1,542,125	1,640,984	1,583,990	56,994
Streets	2,673,722	2,717,126	2,285,308	431,818
Parks and recreation	4,801,076	4,970,868	4,642,063	328,805
Library	2,353,516	2,353,516	2,244,810	108,706
Community and economic development	-	176,911	7,870	169,041
Capital outlay	551,629	1,353,787	943,831	409,956
Total expenditures	57,969,524	59,804,625	56,416,769	3,387,856
REVENUES OVER (UNDER) EXPENDITURES	2,712,036	876,935	12,399,056	11,522,121
OTHER FINANCING SOURCES (USES):				
Transfers in	2,407,585	2,663,511	1,807,056	(856,455)
Transfers out	(10,552,390)	(11,567,859)	(9,090,909)	2,476,950
Proceeds from sale of property	-	-	999,985	999,985
Total other financing sources (uses)	(8,144,805)	(8,904,348)	(6,283,868)	2,620,480
Net change in fund balances	$ (5,432,769)	$ (8,027,413)	6,115,188	$ 14,142,601
FUND BALANCES:				
Beginning of year			58,693,575	
End of year			$ 64,808,763	

Measure G				Intrafund Eliminations	General Fund Totals			
Original Budget	Final Budget	Actual	Variance	Actual	Original Budget	Final Budget	Actual	Variance
$ 3,800,000	$ 3,800,000	$ 3,714,871	$ (85,129)	$ -	$ 47,347,324	$ 47,347,324	$ 48,923,037	$ 1,575,713
-	-	-	-	-	3,239,500	3,239,500	3,651,136	411,636
-	-	-	-	-	5,499,452	5,499,452	6,299,037	799,585
-	-	-	-	-	2,035,963	2,035,963	3,354,749	1,318,786
-	-	-	-	-	1,620,152	1,620,152	937,116	(683,036)
-	-	-	-	-	4,598,200	4,598,200	8,967,607	4,369,407
-	-	-	-	-	140,969	140,969	398,014	257,045
3,800,000	3,800,000	3,714,871	(85,129)	-	64,481,560	64,481,560	72,530,696	8,049,136
-	-	-	-	-	12,888,552	12,967,593	11,599,685	1,367,908
-	-	-	-	-	33,158,904	33,623,840	33,109,212	514,628
-	-	-	-	-	1,542,125	1,640,984	1,583,990	56,994
-	-	-	-	-	2,673,722	2,717,126	2,285,308	431,818
-	-	-	-	-	4,801,076	4,970,868	4,642,063	328,805
-	-	-	-	-	2,353,516	2,353,516	2,244,810	108,706
-	-	-	-	-	-	176,911	7,870	169,041
-	-	-	-	-	551,629	1,353,787	943,831	409,956
-	-	-	-	-	57,969,524	59,804,625	56,416,769	3,387,856
3,800,000	3,800,000	3,714,871	(85,129)	-	6,512,036	4,676,935	16,113,927	11,436,992
-	74,717	74,717	-	(193,905)	2,407,585	2,738,228	1,687,868	(1,050,360)
(4,590,729)	(4,664,928)	(4,664,928)	-	193,905	(15,143,119)	(16,232,787)	(13,561,932)	2,670,855
-	-	-	-	-	-	-	999,985	999,985
(4,590,729)	(4,590,211)	(4,590,211)	-	-	(12,735,534)	(13,494,559)	(10,874,079)	2,620,480
$ (790,729)	$ (790,211)	(875,340)	$ (85,129)	-	$ (6,223,498)	$ (8,817,624)	5,239,848	$ 14,057,472
		2,143,632		-			60,837,207	
		$ 1,268,292		$ -			$ 66,077,055	

City of San Bruno
Combining Balance Sheet
Developer Agreements and Impact Fees Fund
June 30, 2025

	Affordable Housing	Community Services	Public Safety	General Government
ASSETS				
Cash and investments	$ 10,720,344	$ 4,064,992	$ 24,821	$ 234,340
Total assets	$ 10,720,344	$ 4,064,992	$ 24,821	$ 234,340
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Deposits payable	362,746	-	-	-
Total liabilities	362,746	-	-	-
Fund Balances:				
Restricted	10,357,598	4,064,992	24,821	234,340
Assigned	-	-	-	-
Total fund balances	10,357,598	4,064,992	24,821	234,340
Total liabilities, deferred inflows of resources and fund balances	$ 10,720,344	$ 4,064,992	$ 24,821	$ 234,340

Transportation	Utilities Facilities	Bayhill Specific Plan Area	Community Benefit	Developer Agreements and Impact Fees Fund Totals
$ 6,243,559	$ 360,304	$ 5,029,212	$ 10,886,905	$ 37,564,477
$ 6,243,559	$ 360,304	$ 5,029,212	$ 10,886,905	$ 37,564,477
-	-	703,514	913,796	1,980,056
-	-	703,514	913,796	1,980,056
6,243,559	360,304	4,325,698	-	25,611,312
-	-	-	9,973,109	9,973,109
6,243,559	360,304	4,325,698	9,973,109	35,584,421
$ 6,243,559	$ 360,304	$ 5,029,212	$ 10,886,905	$ 37,564,477

City of San Bruno

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Developer Agreements and Impact Fees Fund

For the year ended June 30, 2025

	Affordable Housing	Community Services	Public Safety	General Government
REVENUES:				
Licenses and permits	$ -	$ -	$ 1,532	$ 14,373
Use of money and property	287,254	120,957	634	10,471
Total revenues	287,254	120,957	2,166	24,844
OTHER FINANCING SOURCES (USES):				
Transfers in	-	135,901	-	22,808
Transfers out	-	(670,000)	-	(190,000)
Total other financing sources (uses)	-	(534,099)	-	(167,192)
Net change in fund balances	287,254	(413,142)	2,166	(142,348)
FUND BALANCES:				
Beginning of year	10,070,344	4,478,134	22,655	376,688
End of year	$ 10,357,598	$ 4,064,992	$ 24,821	$ 234,340

Transportation	Utilities Facilities	Bayhill Specific Plan Area	Community Benefit	Developer Agreements and Impact Fees Fund Totals
$ 25,927	$ 19,686	$ -	$ -	$ 61,518
166,783	9,260	134,759	310,152	1,040,270
192,710	28,946	134,759	310,152	1,101,788
-	-	-	-	158,709
-	-	-	(688,000)	(1,548,000)
-	-	-	(688,000)	(1,389,291)
192,710	28,946	134,759	(377,848)	(287,503)
6,050,849	331,358	4,190,939	10,350,957	35,871,924
$ 6,243,559	$ 360,304	$ 4,325,698	$ 9,973,109	$ 35,584,421

City of San Bruno
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Street Improvement Capital Projects Fund
For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental	$ -	$ 582,839	$ 2,665,220	$ 2,082,381
Other revenues	-	100,000	-	(100,000)
Total revenues	-	682,839	2,665,220	1,982,381
EXPENDITURES:				
Capital outlay	-	23,916,706	14,952,728	8,963,978
Total expenditures	-	23,916,706	14,952,728	8,963,978
REVENUES OVER (UNDER) EXPENDITURES	-	(23,233,867)	(12,287,508)	10,946,359
OTHER FINANCING SOURCES (USES):				
Transfers in	-	8,178,175	5,928,232	(2,249,943)
Transfers out	-	(2,634,057)	(477,951)	2,156,106
Total other financing sources (uses)	-	5,544,118	5,450,281	(93,837)
Net change in fund balances	$ -	$ (17,689,749)	(6,837,227)	$ 10,852,522
FUND BALANCES:				
Beginning of year			13,719,948	
Restatement			475,662	
Beginning of year, as restated			14,195,610	
End of year			$ 7,358,383	

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds:

In Lieu - Accounts for funds received to substitute for standard fees utilized for particular purposes.

Agency on Aging - Accounts for funds for senior services.

Federal/State Grants - Accounts for activities for the City's grants.

Gas Tax - Accounts for funds received and expended for street maintenance purposes as defined in sections 2103, 2105, 2106, 2107.5 of the Streets and Highway Code.

Police Asset Seizure – Accounts for state augmentation funds to be used for safety programs.

Police – Accounts for Police revenues to be used on special law enforcement programs.

SB322 Recycling/Litter Clean-up – Accounts for SB322 funds to be used on recycling and litter clean-up programs.

Restricted Revenues – Accounts for donations and fees collected for specific purposes.

Bequests – Accounts for funds bequested to the City.

Streets – Accounts for funds dedicated to street improvement and mitigation.

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

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

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

Community Development – Accounts for the activities of the Community Development Department including the City's planning and building permit operations.

Recreation and Aquatic Center – Accounts for the activities at the City's Recreation and Aquatic Center.

Capital Project Fund:

Parks and Facilities and Technology Capital Improvement - Accounts for funds expended on the improvement and development of the City's facilities, infrastructure, major equipment and technological upgrades used to deliver services to the community. Funding comes from the General Fund, grants, and other sources.

Debt Service Fund:

General – Accounts for funds related to the 2011 and 2017 fire apparatus lease purchase, 2013 Pension Obligation Bond, and 2018 router lease purchase principal and interest payments.

City of San Bruno

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2025 (with comparative totals for June 30, 2024)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
ASSETS				
Cash and investments	$ 4,097,603	$ -	$ -	$ 641,982
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Taxes	-	-	-	317,362
Interest	-	-	-	-
Other	-	30,531	172,346	-
Other assets	-	-	-	-
Total assets	$ 4,097,603	$ 30,531	$ 172,346	$ 959,344
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	6,333	64,817	3,762	-
Due to other funds	-	456,298	482,745	-
Interest payable	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	6,333	521,115	486,507	-
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	4,091,270	-	-	959,344
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	(490,584)	(314,161)	-
Total fund balances	4,091,270	(490,584)	(314,161)	959,344
Total liabilities, deferred inflows of resources and fund balances	$ 4,097,603	$ 30,531	$ 172,346	$ 959,344

Special Revenue Funds				
Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Street
$ 562,562	$ 306,674	$ 438,722	$ 2,711,452	$ 156,905
-	-	-	-	-
-	-	-	-	-
-	-	-	16,056	-
-	-	13,642	5,541	-
-	-	-	3,741,726	-
$ 562,562	$ 306,674	$ 452,364	$ 6,474,775	$ 156,905
12,084	-	5,931	8,939	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
12,084	-	5,931	8,939	-
-	-	-	3,049,700	-
-	-	-	3,049,700	-
550,478	306,674	446,433	3,416,136	156,905
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
550,478	306,674	446,433	3,416,136	156,905
$ 562,562	$ 306,674	$ 452,364	$ 6,474,775	$ 156,905

City of San Bruno
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025 (with comparative totals for June 30, 2024)

	Special Revenue Funds			
	City as Successor Housing Agency	Measure A Transportation Tax	Measure W Transportation Tax	Community Development
ASSETS				
Cash and investments	$ 700,649	$ 1,144,804	$ 982,500	$ 4,837,368
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Taxes	-	105,334	97,073	-
Interest	-	-	-	-
Other	-	-	-	415,218
Other assets	-	-	-	-
Total assets	$ 700,649	$ 1,250,138	$ 1,079,573	$ 5,252,586
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	-	-	-	1,622,204
Due to other funds	-	-	-	-
Interest payable	-	-	-	-
Unearned revenue	-	117,523	-	-
Total liabilities	-	117,523	-	1,622,204
Deferred Inflows of Resources				
Unavailable revenue	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Restricted	700,649	1,132,615	1,079,573	2,985,042
Committed	-	-	-	645,340
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	700,649	1,132,615	1,079,573	3,630,382
Total liabilities, deferred inflows of resources and fund balances	$ 700,649	$ 1,250,138	$ 1,079,573	$ 5,252,586

	Special Revenue Funds	Capital Projects Fund	Debt Service Fund		
	Recreation and Aquatic Center	Parks and Facilities and Technology Capital Improvement	General	Nonmajor Funds Totals 2025	Nonmajor Funds Totals 2024
	$ -	$ 11,325,609	$ 14,934	$ 27,921,764	$ 11,991,782
	-	-	1,922	1,922	150
	-	-	-	519,769	430,187
	-	-	-	16,056	18,007
	117,702	259,364	-	1,014,344	143,171
	-	-	-	3,741,726	3,628,657
	$ 117,702	$ 11,584,973	$ 16,856	$ 33,215,581	$ 16,211,954
	125,772	415,976	-	2,265,818	291,194
	2,399,617	80,132	-	3,418,792	1,101,805
	-	-	10,154	10,154	13,855
	-	-	-	117,523	-
	2,525,389	496,108	10,154	5,812,287	1,406,854
	-	-	-	3,049,700	3,147,900
	-	-	-	3,049,700	3,147,900
	-	2,281,224	-	18,106,343	10,123,805
	-	-	6,702	652,042	2,404,964
	-	8,807,641	-	8,807,641	-
	(2,407,687)	-	-	(3,212,432)	(871,569)
	(2,407,687)	11,088,865	6,702	24,353,594	11,657,200
	$ 117,702	$ 11,584,973	$ 16,856	$ 33,215,581	$ 16,211,954

City of San Bruno
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Special Revenue Funds			
	In-Lieu	Agency on Aging	Federal/State Grants	Gas Tax
REVENUES:				
Taxes	$ -	$ -	$ -	$ -
Licenses and permits	27,043	-	-	-
Intergovernmental	-	164,137	592,796	2,415,565
Charges for services	-	-	-	-
Fines and forfeitures	-	-	-	-
Use of money and property	78,258	-	754	8,230
Other revenues	-	51,815	50,018	-
Total revenues	105,301	215,952	643,568	2,423,795
EXPENDITURES:				
Current:				
General government	-	-	28,580	-
Public safety	-	-	320,195	-
Streets	-	-	-	3,000
Parks and recreation	-	516,070	-	-
Library	-	-	-	-
Community and economic development	123,143	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	123,143	516,070	348,775	3,000
REVENUES OVER (UNDER) EXPENDITURES	(17,842)	(300,118)	294,793	2,420,795
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	87,643
Transfers out	-	-	-	(1,615,000)
Total other financing sources (uses)	-	-	-	(1,527,357)
Net change in fund balances	(17,842)	(300,118)	294,793	893,438
FUND BALANCES:				
Beginning of year	4,109,112	(190,466)	(608,954)	65,906
Restatements	-	-	-	-
Beginning of year, as restated	4,109,112	(190,466)	(608,954)	65,906
End of year	$ 4,091,270	$ (490,584)	$ (314,161)	$ 959,344

Special Revenue Funds				
Police Asset Seizure	Police	SB 322 Recycling/Litter Clean-up	Restricted Revenues	Street
$ -	$ -	$ -	$ -	$ -
-	-	-	134,049	-
-	194,663	10,841	3,289	-
-	-	-	173,705	-
123,890	-	-	-	-
15,959	8,318	12,743	281,617	122
-	-	154,487	349,058	-
139,849	202,981	178,071	941,718	122
-	-	-	31,763	-
239,945	-	-	23,664	-
-	-	246,986	-	-
-	-	-	21,115	-
-	-	-	40,380	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
239,945	-	246,986	116,922	-
(100,096)	202,981	(68,915)	824,796	122
-	-	-	200,000	152,375
-	(100,000)	-	(375,000)	-
-	(100,000)	-	(175,000)	152,375
(100,096)	102,981	(68,915)	649,796	152,497
650,574	203,693	515,348	2,766,340	4,408
-	-	-	-	-
650,574	203,693	515,348	2,766,340	4,408
$ 550,478	$ 306,674	$ 446,433	$ 3,416,136	$ 156,905

City of San Bruno

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Special Revenue Funds			
	City as Successor Housing Agency	Measure A Transportation Tax	Measure W Transportation Tax	Community Development
REVENUES:				
Taxes	$ -	$ 1,307,183	$ 576,341	$ -
Licenses and permits	-	-	-	5,898,688
Intergovernmental	-	-	-	11,839
Charges for services	-	-	-	152,459
Fines and forfeitures	-	-	-	-
Use of money and property	-	8,430	37,856	107,063
Other revenues	-	-	-	-
Total revenues	-	1,315,613	614,197	6,170,049
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Streets	-	-	-	-
Parks and recreation	-	-	-	-
Library	-	-	-	-
Community and economic development	-	-	-	4,942,922
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	4,942,922
REVENUES OVER (UNDER) EXPENDITURES	-	1,315,613	614,197	1,227,127
OTHER FINANCING SOURCES (USES):				
Transfers in	-	82,553	-	-
Transfers out	-	(193,402)	(642,399)	-
Total other financing sources (uses)	-	(110,849)	(642,399)	-
Net change in fund balances	-	1,204,764	(28,202)	1,227,127
FUND BALANCES:				
Beginning of year	700,649	(72,149)	1,107,775	2,403,255
Restatements	-	-	-	-
Beginning of year, as restated	700,649	(72,149)	1,107,775	2,403,255
End of year	$ 700,649	$ 1,132,615	$ 1,079,573	$ 3,630,382

Special Revenue Funds	Capital Projects Fund	Debt Service Fund		
Recreation and Aquatic Center	Parks and Facilities and Technology Capital Improvement	General	Nonmajor Funds Totals 2025	2024
$ -	$ -	$ -	$ 1,883,524	$ 1,871,185
-	-	-	6,059,780	1,137,996
-	893,471	-	4,286,601	3,146,148
1,751,510	-	-	2,077,674	51,042
-	-	-	123,890	51,119
-	-	2,272	561,622	620,448
27,264	-	-	632,642	447,202
1,778,774	893,471	2,272	15,625,733	7,325,140
-	-	-	60,343	406,034
-	-	-	583,804	645,874
-	-	-	249,986	191,595
4,186,461	-	-	4,723,646	439,006
-	-	-	40,380	61,416
-	-	-	5,066,065	245,411
-	6,238,753	-	6,238,753	-
-	-	1,191,580	1,191,580	1,146,790
-	-	172,985	172,985	217,131
4,186,461	6,238,753	1,364,565	18,327,542	3,353,257
(2,407,687)	(5,345,282)	(1,362,293)	(2,701,809)	3,971,883
-	8,041,801	1,367,286	9,931,658	3,239,858
-	(351,198)	-	(3,276,999)	(6,225,037)
-	7,690,603	1,367,286	6,654,659	(2,985,179)
(2,407,687)	2,345,321	4,993	3,952,850	986,704
-	-	1,709	11,657,200	25,112,907
-	8,743,544	-	8,743,544	(14,442,411)
-	8,743,544	1,709	20,400,744	10,670,496
$ (2,407,687)	$ 11,088,865	$ 6,702	$ 24,353,594	$ 11,657,200

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

In-Lieu

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Licenses and permits	$ -	$ -	$ 27,043	$ 27,043
Use of money and property	30,000	30,000	78,258	48,258
Total revenues	30,000	30,000	105,301	75,301
EXPENDITURES:				
Current:				
Community and economic development	122,350	150,699	123,143	27,556
Total expenditures	122,350	150,699	123,143	27,556
REVENUES OVER (UNDER) EXPENDITURES	(92,350)	(120,699)	(17,842)	102,857
Net change in fund balances	$ (92,350)	$ (120,699)	(17,842)	$ 102,857
FUND BALANCES:				
Beginning of year			4,109,112	
End of year			$ 4,091,270	

City of San Bruno
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Agency on Aging
For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental	$ 389,000	$ 389,000	$ 164,137	$ (224,863)
Other revenues	72,000	72,000	51,815	(20,185)
Total revenues	461,000	461,000	215,952	(245,048)
EXPENDITURES:				
Current:				
Parks and recreation	253,868	287,984	516,070	(228,086)
Total expenditures	253,868	287,984	516,070	(228,086)
REVENUES OVER (UNDER) EXPENDITURES	207,132	173,016	(300,118)	(473,134)
OTHER FINANCING SOURCES (USES):				
Transfers out	(61,500)	(61,500)	-	61,500
Total other financing sources (uses)	(61,500)	(61,500)	-	61,500
Net change in fund balances	$ 145,632	$ 111,516	(300,118)	$ (411,634)
FUND BALANCES:				
Beginning of year			(190,466)	
End of year			$ (490,584)	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Federal/State Grants

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental	$ 114,733	$ 326,666	$ 592,796	$ 266,130
Use of money and property	-	-	754	754
Other revenues	-	-	50,018	50,018
Total revenues	114,733	326,666	643,568	316,902
EXPENDITURES:				
Current:				
General government	-	113,435	28,580	84,855
Public safety	114,733	546,640	320,195	226,445
Total expenditures	114,733	660,075	348,775	311,300
REVENUES OVER (UNDER) EXPENDITURES	-	(333,409)	294,793	628,202
Net change in fund balances	$ -	$ (333,409)	294,793	$ 628,202
FUND BALANCES:				
Beginning of year			(608,954)	
End of year			$ (314,161)	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Gas Tax

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental	$ 2,240,914	$ 2,240,914	$ 2,415,565	$ 174,651
Use of money and property	12,175	12,175	8,230	(3,945)
Total revenues	2,253,089	2,253,089	2,423,795	170,706
EXPENDITURES:				
Current:				
Streets	3,000	3,000	3,000	-
Total expenditures	3,000	3,000	3,000	-
REVENUES OVER (UNDER) EXPENDITURES	2,250,089	2,250,089	2,420,795	170,706
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	87,643	87,643
Transfers out	(1,615,000)	(1,615,000)	(1,615,000)	-
Total other financing sources (uses)	(1,615,000)	(1,615,000)	(1,527,357)	87,643
Net change in fund balances	$ 635,089	$ 635,089	893,438	$ 258,349
FUND BALANCES:				
Beginning of year			65,906	
End of year			$ 959,344	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Police Asset Seizure

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Fines and forfeitures	$ 103,000	$ 103,000	$ 123,890	$ 20,890
Use of money and property	10,000	10,000	15,959	5,959
Total revenues	113,000	113,000	139,849	26,849
EXPENDITURES:				
Current:				
Public safety	247,545	272,545	239,945	32,600
Total expenditures	247,545	272,545	239,945	32,600
REVENUES OVER (UNDER) EXPENDITURES	(134,545)	(159,545)	(100,096)	59,449
Net change in fund balances	$ (134,545)	$ (159,545)	(100,096)	$ 59,449
FUND BALANCES:				
Beginning of year			650,574	
End of year			$ 550,478	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Police

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental	$ 150,000	$ 150,000	$ 194,663	$ 44,663
Use of money and property	3,000	3,000	8,318	5,318
Total revenues	153,000	153,000	202,981	49,981
OTHER FINANCING SOURCES (USES):				
Transfers out	(100,000)	(100,000)	(100,000)	-
Total other financing sources (uses)	(100,000)	(100,000)	(100,000)	-
Net change in fund balances	$ 53,000	$ 53,000	102,981	$ 49,981
FUND BALANCES:				
Beginning of year			203,693	
End of year			$ 306,674	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

SB 322 Recycling/Litter Clean-up

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental	$ 116,990	$ 116,990	$ 10,841	$ (106,149)
Use of money and property	2,500	2,500	12,743	10,243
Other revenues	139,000	139,000	154,487	15,487
Total revenues	258,490	258,490	178,071	(80,419)
EXPENDITURES:				
Current:				
Streets	306,410	379,959	246,986	132,973
Total expenditures	306,410	379,959	246,986	132,973
REVENUES OVER (UNDER) EXPENDITURES	(47,920)	(121,469)	(68,915)	52,554
Net change in fund balances	$ (47,920)	$ (121,469)	(68,915)	$ 52,554
FUND BALANCES:				
Beginning of year			515,348	
End of year			$ 446,433	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Restricted Revenues

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Licenses and permits	$ 129,600	$ 129,600	$ 134,049	$ 4,449
Intergovernmental	-	-	3,289	3,289
Charges for services	41,000	41,000	173,705	132,705
Use of money and property	50,000	50,000	281,617	231,617
Other revenues	66,000	186,000	349,058	163,058
Total revenues	286,600	406,600	941,718	535,118
EXPENDITURES:				
Current:				
General government	-	8,546	31,763	(23,217)
Public safety	-	81	23,664	(23,583)
Parks and recreation	8,000	128,000	21,115	106,885
Library	14,100	14,100	40,380	(26,280)
Community and economic development	15,000	19,204	-	19,204
Total expenditures	37,100	169,931	116,922	53,009
REVENUES OVER (UNDER) EXPENDITURES	249,500	236,669	824,796	588,127
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	200,000	200,000
Transfers out	(250,000)	(375,000)	(375,000)	-
Total other financing sources (uses)	(250,000)	(375,000)	(175,000)	200,000
Net change in fund balances	$ (500)	$ (138,331)	649,796	$ 788,127
FUND BALANCES:				
Beginning of year			2,766,340	
End of year			$ 3,416,136	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Street

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Use of money and property	$ 100	$ 100	$ 122	$ 22
Total revenues	100	100	122	22
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	152,375	152,375
Total other financing sources (uses)	-	-	152,375	152,375
Net change in fund balances	$ 100	$ 100	152,497	$ 152,397
FUND BALANCES:				
Beginning of year			4,408	
End of year			$ 156,905	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

City as Successor Housing Agency

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Net change in fund balances	$ -	$ -	-	$ -
FUND BALANCES:				
Beginning of year			700,649	
End of year			$ 700,649	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Measure A Transportation Tax

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ 1,367,112	$ 1,367,112	$ 1,307,183	$ (59,929)
Use of money and property	19,978	19,978	8,430	(11,548)
Total revenues	1,387,090	1,387,090	1,315,613	(71,477)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	197,271	82,553	(114,718)
Transfers out	(150,000)	(193,402)	(193,402)	-
Total other financing sources (uses)	(150,000)	3,869	(110,849)	(114,718)
Net change in fund balances	$ 1,237,090	$ 1,390,959	1,204,764	$ (186,195)
FUND BALANCES:				
Beginning of year			(72,149)	
End of year			$ 1,132,615	

City of San Bruno
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Measure W Transportation Tax
For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Taxes	$ 610,753	$ 610,753	$ 576,341	$ (34,412)
Use of money and property	18,749	18,749	37,856	19,107
Total revenues	629,502	629,502	614,197	(15,305)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	87,643	-	(87,643)
Transfers out	(600,000)	(642,399)	(642,399)	-
Total other financing sources (uses)	(600,000)	(554,756)	(642,399)	(87,643)
Net change in fund balances	$ 29,502	$ 74,746	(28,202)	$ (102,948)
FUND BALANCES:				
Beginning of year			1,107,775	
End of year			$ 1,079,573	

City of San Bruno
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual
Community Development
For the year ended June 30, 2025

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES:				
Licenses and permits	$ 4,752,500	$ 4,752,500	$ 5,898,688	$ 1,146,188
Intergovernmental	-	-	11,839	11,839
Charges for services	170,500	170,500	152,459	(18,041)
Use of money and property	-	-	107,063	107,063
Total revenues	4,923,000	4,923,000	6,170,049	1,247,049
EXPENDITURES:				
Current:				
Community and economic development	5,555,517	5,555,517	4,942,922	612,595
Total expenditures	5,555,517	5,555,517	4,942,922	612,595
REVENUES OVER (UNDER) EXPENDITURES	(632,517)	(632,517)	1,227,127	1,859,644
Net change in fund balances	$ (632,517)	$ (632,517)	1,227,127	$ 1,859,644
FUND BALANCES:				
Beginning of year			2,403,255	
End of year			$ 3,630,382	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Recreation and Aquatic Center

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Charges for services	$ 2,744,425	$ 2,744,150	$ 1,751,510	$ (992,640)
Other revenues	38,500	1,038,500	27,264	(1,011,236)
Total revenues	2,782,925	3,782,650	1,778,774	(2,003,876)
EXPENDITURES:				
Current:				
Parks and recreation	4,459,133	4,459,132	4,186,461	272,671
Total expenditures	4,459,133	4,459,132	4,186,461	272,671
REVENUES OVER (UNDER) EXPENDITURES	(1,676,208)	(676,482)	(2,407,687)	(1,731,205)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,676,207	1,676,207	-	(1,676,207)
Total other financing sources (uses)	1,676,207	1,676,207	-	(1,676,207)
Net change in fund balances	$ (1)	$ 999,725	(2,407,687)	$ (3,407,412)
FUND BALANCES:				
Beginning of year			-	
End of year			$ (2,407,687)	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

Parks and Facilities and Technology Capital Improvement

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Intergovernmental	$ -	$ 4,606,708	$ 893,471	$ (3,713,237)
Total revenues	-	4,606,708	893,471	(3,713,237)
EXPENDITURES:				
Current:				
Capital outlay	-	23,572,997	6,238,753	17,334,244
Total expenditures	-	23,572,997	6,238,753	17,334,244
REVENUES OVER (UNDER) EXPENDITURES	-	(18,966,289)	(5,345,282)	13,621,007
OTHER FINANCING SOURCES (USES):				
Transfers in	-	8,018,850	8,041,801	22,951
Transfers out	-	(55,375)	(351,198)	(295,823)
Total other financing sources (uses)	-	7,963,475	7,690,603	(272,872)
Net change in fund balances	$ -	$ (11,002,814)	2,345,321	$ 13,348,135
FUND BALANCES:				
Beginning of year			-	
Restatement			8,743,544	
Beginning of year, as restated			8,743,544	
End of year			$ 11,088,865	

City of San Bruno

Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

General Debt Service Fund

For the year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Use of money and property	$ -	$ -	$ 2,272	$ 2,272
Total revenues	-	-	2,272	2,272
EXPENDITURES:				
Current:				
Debt service:				
Principal	1,191,580	1,191,580	1,191,580	-
Interest and fiscal charges	175,703	175,703	172,985	2,718
Total expenditures	1,367,283	1,367,283	1,364,565	2,718
REVENUES OVER (UNDER) EXPENDITURES	(1,367,283)	(1,367,283)	(1,362,293)	4,990
OTHER FINANCING SOURCES (USES):				
Transfers in	1,367,283	1,367,283	1,367,286	3
Total other financing sources (uses)	1,367,283	1,367,283	1,367,286	3
Net change in fund balances	$ -	$ -	4,993	$ 4,993
FUND BALANCES:				
Beginning of year			1,709	
End of year			$ 6,702	

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NONMAJOR ENTERPRISE FUNDS

Stormwater – To account for storm drain system maintenance, street sweeping and other related activities to the citizens of San Bruno. Funding comes from customers connected to the City's sewer system, due to extensive infiltration and intrusion to the City's sewer system and street sweeping charges.

Parking – To account for parking fees on City streets and at City parking lots.

City of San Bruno
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025 (with comparative totals for June 30, 2024)

	Stormwater	Parking	Totals 2025	Totals 2024
ASSETS				
Current Assets:				
Cash and investments	$ 2,860,775	$ 1,990,846	$ 4,851,621	$ 3,571,517
Receivables:				
Taxes	79,152	-	79,152	74,953
Accounts	634,465	-	634,465	174,492
Other	-	1,829	1,829	1,896
Total current assets	3,574,392	1,992,675	5,567,067	3,822,858
Noncurrent:				
Capital assets:				
Nondepreciable capital assets	1,217,646	-	1,217,646	1,396,642
Depreciable capital assets	7,851,515	794,146	8,645,661	8,225,451
Accumulated depreciation	(2,222,788)	(264,715)	(2,487,503)	(2,079,270)
Net capital assets	6,846,373	529,431	7,375,804	7,542,823
Total noncurrent assets	6,846,373	529,431	7,375,804	7,542,823
Total assets	10,420,765	2,522,106	12,942,871	11,365,681
DEFERRED OUTFLOWS OF RESOURCES				
Deferred amount on pensions	147,843	-	147,843	196,283
Total deferred outflows of resources	147,843	-	147,843	196,283
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	148,624	57,257	205,881	188,725
Compensated absences - current	4,406	-	4,406	3,756
Total current liabilities	153,030	57,257	210,287	192,481
Noncurrent liabilities:				
Advances from other funds	-	2,000,000	2,000,000	2,000,000
Compensated absences	28,686	-	28,686	27,726
Net pension liability	799,683	-	799,683	821,689
Total noncurrent liabilities	828,369	2,000,000	2,828,369	2,849,415
Total liabilities	981,399	2,057,257	3,038,656	3,041,896
DEFERRED INFLOWS OF RESOURCES				
Deferred amount on pensions	-	-	-	371
Total deferred inflows of resources	-	-	-	371
NET POSITION				
Net investment in capital assets	6,846,373	529,431	7,375,804	7,542,823
Unrestricted	2,740,836	(64,582)	2,676,254	976,874
Total net position	$ 9,587,209	$ 464,849	$ 10,052,058	$ 8,519,697

City of San Bruno
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Stormwater	Parking	Totals 2025	Totals 2024
OPERATING REVENUES:				
Charges for services:				
Other service charges	$ 563,004	$ 648,659	$ 1,211,663	$ 716,894
Other operating revenue	1,734,760	621,972	2,356,732	2,100,743
Total operating revenues	2,297,764	1,270,631	3,568,395	2,817,637
OPERATING EXPENSES:				
Distribution	2,751,216	-	2,751,216	2,035,734
Facilities maintenance	-	480,062	480,062	326,291
Depreciation and amortization	249,404	158,829	408,233	331,974
Total operating expenses	3,000,620	638,891	3,639,511	2,693,999
Operating income (loss)	(702,856)	631,740	(71,116)	123,638
NONOPERATING REVENUES (EXPENSES):				
Investment income	46,578	27,195	73,773	46,712
Total nonoperating revenues (expenses)	46,578	27,195	73,773	46,712
Income before contributions and transfers	(656,278)	658,935	2,657	170,350
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	1,463,765	70,000	1,533,765	4,458,397
Transfers out	-	-	-	(532,768)
Total contributions and transfers	1,463,765	70,000	1,533,765	3,925,629
Change in net position	807,487	728,935	1,536,422	4,095,979
NET POSITION:				
Beginning of year	8,783,783	(264,086)	8,519,697	(2,490)
Restatements	(4,061)	-	(4,061)	4,426,208
Beginning of year, as restated	8,779,722	(264,086)	8,515,636	4,423,718
End of year	$ 9,587,209	$ 464,849	$ 10,052,058	$ 8,519,697

City of San Bruno
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Stormwater	Parking	Totals 2025	Totals 2024
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash receipts from customers	$ 1,833,592	$ 1,270,698	$ 3,104,290	$ 2,572,896
Cash payments to suppliers for goods and services	(2,761,195)	(452,927)	(3,214,122)	(3,090,677)
Cash (payments) receipts to employees for services	23,612	-	23,612	21,701
Net cash provided by (used in) operating activities	(903,991)	817,771	(86,220)	(496,080)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Loans from other funds	-	-	-	2,000,000
Loan repayments to other funds	-	-	-	(642,426)
Transfers received from other funds	1,463,765	70,000	1,533,765	4,458,397
Transfers paid to other funds	-	-	-	(532,768)
Net cash provided by (used in) noncapital financing activities	1,463,765	70,000	1,533,765	5,283,203
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	(241,214)	-	(241,214)	(1,262,318)
Net cash provided by (used in) capital and related financing activities	(241,214)	-	(241,214)	(1,262,318)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (expense)	46,578	27,195	73,773	46,712
Net cash provided by (used in) investing activities	46,578	27,195	73,773	46,712
Net cash flows	365,138	914,966	1,280,104	3,571,517
CASH AND INVESTMENTS - Beginning of year	2,495,637	1,075,880	3,571,517	-
CASH AND INVESTMENTS - End of year	$ 2,860,775	$ 1,990,846	$ 4,851,621	$ 3,571,517
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ (702,856)	$ 631,740	$ (71,116)	123,638
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	249,404	158,829	408,233	331,974
(Increase) decrease in current assets:				
Taxes receivable	(4,199)	-	(4,199)	(74,953)
Accounts receivable	(459,973)	-	(459,973)	(167,892)
Other receivable	-	67	67	(1,896)
(Increase) decrease in deferred outflows of resources	48,440	-	48,440	21,285
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	(9,979)	27,135	17,156	(728,652)
Compensated absences	(2,451)	-	(2,451)	(20,353)
Net pension liability	(22,006)	-	(22,006)	21,300
Increase (decrease) in deferred inflows of resources	(371)	-	(371)	(531)
Net cash provided by (used in) operating activities	$ (903,991)	$ 817,771	$ (86,220)	$ (496,080)

INTERNAL SERVICE FUNDS

Central Garage – To account for the cost of vehicle acquisition and disposal, preventative maintenance and repair, and support services for the City's fleet.

Self-Insurance – To account for the City's coverage for Workers' Compensation and General Liability insurance.

Technology Development – To account for the cost of maintaining the City's IT infrastructure, network and data security, business applications and management, and providing a centralized service desk.

Facilities Management – To account for the cost of custodial services, facility management and preventative maintenance, and repair services for the City's facilities.

City of San Bruno
Combining Statement of Net Position
Internal Service Funds
June 30, 2025 (with comparative totals for June 30, 2024)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
ASSETS				
Current Assets:				
Cash and investments	$ -	$ 1,508,509	$ 1,161,723	$ 710,685
Cash and investments with fiscal agent	-	91,119	-	-
Receivables:				
Accounts	-	-	-	-
Total current assets	-	1,599,628	1,161,723	710,685
Noncurrent:				
Capital assets:				
Depreciable capital assets	-	-	65,332	188,650
Accumulated depreciation	-	-	(32,209)	(56,294)
Net capital assets	-	-	33,123	132,356
Total noncurrent assets	-	-	33,123	132,356
Total assets	-	1,599,628	1,194,846	843,041
LIABILITIES				
Current liabilities:				
Accounts payable and accrued liabilities	20,994	22,499	46,697	67,017
Due to other funds	171,739	-	-	-
Compensated absences - current	2,631	-	9,099	15,207
Claims and judgements - current	-	1,623,000	-	-
Total current liabilities	195,364	1,645,499	55,796	82,224
Noncurrent liabilities:				
Compensated absences	6,555	-	48,807	85,017
Claims payable	-	4,991,000	-	-
Total noncurrent liabilities	6,555	4,991,000	48,807	85,017
Total liabilities	201,919	6,636,499	104,603	167,241
NET POSITION				
Net investment in capital assets	-	-	-	132,356
Unrestricted	(201,919)	(5,036,871)	1,090,243	543,444
Total net position	$ (201,919)	$ (5,036,871)	$ 1,090,243	$ 675,800

Totals	
2025	2024
$ 3,380,917	$ 3,769,799
91,119	91,119
-	199
3,472,036	3,861,117
253,982	182,060
(88,503)	(69,701)
165,479	112,359
165,479	112,359
3,637,515	3,973,476
157,207	342,130
171,739	-
26,937	26,079
1,623,000	1,316,000
1,978,883	1,684,209
140,379	155,707
4,991,000	4,284,000
5,131,379	4,439,707
7,110,262	6,123,916
132,356	104,303
(3,605,103)	(2,254,743)
$ (3,472,747)	$ (2,150,440)

City of San Bruno

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
OPERATING REVENUES:				
Charges for services:				
Other service charges	$ 1,289,983	$ 2,584,519	$ 2,069,222	$ 2,641,533
Other operating revenue	-	609,022	-	52
Total operating revenues	1,289,983	3,193,541	2,069,222	2,641,585
OPERATING EXPENSES:				
Central garage	1,502,776	-	-	-
Insurance expenses	-	5,135,412	-	-
Technology support	-	-	1,606,727	-
Facilities maintenance	-	-	-	2,242,015
Depreciation and amortization	-	-	4,884	13,918
Total operating expenses	1,502,776	5,135,412	1,611,611	2,255,933
Operating income (loss)	(212,793)	(1,941,871)	457,611	385,652
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	-	-	-	-
Total contributions and transfers	-	-	-	-
Change in net position	(212,793)	(1,941,871)	457,611	385,652
NET POSITION:				
Beginning of year	12,344	(3,095,000)	635,729	296,487
Restatements	(1,470)	-	(3,097)	(6,339)
Beginning of year, as restated	10,874	(3,095,000)	632,632	290,148
End of year	$ (201,919)	$ (5,036,871)	$ 1,090,243	$ 675,800

Totals	
2025	2024
$ 8,585,257	$ 8,347,546
609,074	13,240
9,194,331	8,360,786
1,502,776	914,802
5,135,412	3,627,989
1,606,727	1,496,517
2,242,015	1,999,029
18,802	10,607
10,505,732	8,048,944
(1,311,401)	311,842
-	150,000
-	150,000
(1,311,401)	461,842
(2,150,440)	(2,612,282)
(10,906)	-
(2,161,346)	(2,612,282)
$ (3,472,747)	$ (2,150,440)

City of San Bruno
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2025 (with comparative totals for June 30, 2024)

	Central Garage	Self-Insurance	Technology Development	Facilities Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from interfund services provided	$ 1,461,722	$ 2,584,718	$ 2,069,222	$ 2,641,585
Cash payments to suppliers for goods and services	(1,515,954)	(4,296,631)	(1,608,951)	(2,261,693)
Cash reimbursements for loss claims	-	609,022	-	-
Net cash provided by (used in) operating activities	(54,232)	(1,102,891)	460,271	379,892
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers received from other funds	-	-	-	-
Net cash provided by (used in) noncapital financing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	-	-	(29,951)	(41,971)
Net cash provided by (used in) capital and related financing activities	-	-	(29,951)	(41,971)
Net cash flows	(54,232)	(1,102,891)	430,320	337,921
CASH AND INVESTMENTS - Beginning of year	54,232	2,702,519	731,403	372,764
CASH AND INVESTMENTS - End of year	$ -	$ 1,599,628	$ 1,161,723	$ 710,685
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ (212,793)	$ (1,941,871)	$ 457,611	$ 385,652
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	-	-	4,884	13,918
(Increase) decrease in current assets:				
Accounts receivable	-	199	-	-
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	(6,894)	(175,219)	7,634	(10,444)
Due to other funds	171,739	-	-	-
Compensated absences	(6,284)	-	(9,858)	(9,234)
Claims liability	-	1,014,000	-	-
Net cash provided by (used in) operating activities	$ (54,232)	$ (1,102,891)	$ 460,271	$ 379,892

Totals	
2025	2024
$ 8,757,247	$ 7,300,384
(9,683,229)	(7,219,462)
609,022	649
(316,960)	81,571
-	150,000
-	150,000
(71,922)	(118,826)
(71,922)	(118,826)
(388,882)	112,745
3,860,918	2,872,636
$ 3,472,036	$ 2,985,381
$ (1,311,401)	25,239
18,802	7,928
199	(449)
(184,923)	20,323
171,739	-
(25,376)	33,530
1,014,000	(5,000)
$ (316,960)	$ 81,571

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Statistical Section

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CITY OF SAN BRUNO
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018	2019	2020
Governmental activities					
Net investments in capital assets	$ 50,836,407	$ 54,014,157	$ 59,084,356	$ 66,352,484	$ 69,271,484
Restricted	12,444,902	15,727,642	18,264,533	18,534,689	22,102,576
Unrestricted	(34,557,594)	(42,133,843)	(41,778,351)	(47,316,623)	(55,052,523)
Total governmental activities net position	$ 28,723,715	$ 27,607,956	$ 35,570,538	$ 37,570,550	$ 36,321,537
Business-type activities					
Net investments in capital assets	$ 67,316,388	$ 70,539,432	$ 37,167,066	$ 42,964,412	$ 53,787,761
Restricted	-	-	40,979,572	27,693,026	15,720,390
Unrestricted	7,002,450	14,463,523	12,485,588	30,544,816	41,095,816
Total business-type activities net position	$ 74,318,838	$ 85,002,955	$ 90,632,226	$ 101,202,254	$ 110,603,967
Primary government					
Net investments in capital assets	$ 118,152,795	$ 124,553,589	$ 96,251,422	$ 109,316,896	$ 123,059,245
Restricted	12,444,902	15,727,642	18,264,533	46,227,715	37,822,966
Unrestricted	(27,555,144)	(27,670,320)	(29,292,763)	(16,771,807)	(13,956,707)
Total primary government net position	$ 103,042,553	$ 112,610,911	$ 85,223,192	$ 138,772,804	$ 146,925,504

	2021	2022	2023	2024	2025
Governmental activities					
Net investments in capital assets	$68,788,202	$ 80,545,096	$ 102,207,599	$ 123,061,965	$ 139,859,021
Restricted	22,782,488	53,426,528	75,224,281	35,644,772	48,703,089
Unrestricted	(50,077,211)	(70,032,132)	(18,552,818)	18,035,124	571,051
Total governmental activities net position	$ 41,493,479	$ 63,939,492	$ 158,879,062	$ 176,741,861	$ 189,133,161
Business-type activities					
Net investments in capital assets	$ 58,888,940	$ 58,458,807	$ 65,375,009	$ 73,473,142	$ 79,019,144
Restricted	4,123,199	1,918,591	1,936,756	1,963,235	1,984,731
Unrestricted	57,332,179	70,033,202	67,436,852	91,972,267	103,410,024
Total business-type activities net position	$ 120,344,318	$ 130,410,600	$ 134,748,617	$ 167,408,644	$ 184,413,899
Primary government					
Net investments in capital assets	$ 127,677,142	$ 139,003,903	$ 167,582,608	$ 196,535,107	$ 218,878,165
Restricted	26,905,687	55,345,119	77,161,037	37,608,007	50,687,820
Unrestricted	7,254,968	1,070	48,884,034	110,007,391	103,981,075
Total primary government net position	$ 161,837,797	$ 194,350,092	$ 293,627,679	$ 344,150,505	$ 373,547,060

CITY OF SAN BRUNO
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018
Expenses			
Governmental activities:			
General government	$ 6,632,727	$ 7,944,081	$ 8,186,106
Public safety	24,334,371	25,201,102	27,448,567
Public works	929,223	1,032,599	1,797,113
Highways and streets	3,450,979	4,001,200	3,512,681
Parks and recreation	5,611,296	5,929,836	6,156,634
Library	1,799,797	1,937,465	2,094,990
Community development	2,526,383	2,791,309	2,887,538
Interest expense	403,839	387,374	380,311
Total governmental activities expenses	45,688,615	49,224,966	52,463,940
Business-type activities:			
Water	10,098,091	9,717,392	11,416,387
Stormwater	607,817	606,627	1,011,466
Wastewater	10,921,203	12,033,285	12,380,908
Cable Television	11,240,247	11,655,651	12,492,354
Parking	-	-	-
Total business-type activities expenses	32,867,358	34,012,955	37,301,115
Total primary government expenses	$ 78,555,973	$ 83,237,921	$ 89,765,055
Program Revenues			
Governmental activities:			
Charges for services:			
General government	$ 3,468,619	$ 3,534,173	$ 3,693,098
Public safety	1,906,214	2,019,187	2,275,753
Public works	165,037	475,379	308,461
Highways and streets	17,204	16,500	17,092
Parks and recreation	1,490,268	1,533,722	1,482,588
Library	86,593	92,709	93,014
Community development	1,547,278	1,832,185	1,847,569
Operating grants and contributions	3,053,574	7,352,434	13,445,214
Capital grants and contributions	227,381	133,241	1,408,402
Total governmental activities program revenues	11,962,168	16,989,530	24,571,191
Business-type activities:			
Charges for services:			
Water	12,688,039	14,251,650	15,312,217
Stormwater	652,195	1,035,641	645,507
Wastewater	15,879,501	15,803,116	16,748,382
Cable Television	9,253,900	9,880,781	9,983,780
Parking	-	-	-
Total business-type activities program revenues	38,473,635	40,971,188	42,689,886
Total primary government program revenues	$ 50,435,803	$ 57,960,718	$ 67,261,077

2019	2020	2021	2022	2023	2024	2025
$ 8,429,310	$ 9,606,933	$ 8,441,787	$ 6,413,721	$ 12,014,857	$ 11,797,858	$ 13,337,104
29,772,551	31,788,329	32,515,036	32,410,681	28,793,275	40,661,541	40,082,100
2,332,672	1,566,728	3,131,204	1,618,481	2,059,383	2,586,715	2,626,085
3,505,727	4,224,797	4,081,082	4,949,093	7,012,289	9,943,745	4,701,644
6,147,260	5,817,710	4,814,770	6,574,959	6,179,928	7,262,037	10,515,903
2,093,683	2,458,480	2,298,623	2,156,600	2,287,233	2,374,855	2,257,386
2,955,685	3,057,191	2,652,300	2,857,883	3,249,383	3,591,682	5,053,073
388,594	373,262	324,944	296,821	270,665	217,131	172,985
55,625,482	58,893,430	58,259,746	57,278,239	61,867,013	78,435,564	78,746,280
11,290,539	12,137,204	12,697,845	11,643,075	16,179,423	16,288,579	15,494,286
1,677,767	2,287,138	1,375,960	1,641,787	2,042,242	2,262,271	3,006,089
11,781,728	12,926,033	12,879,291	12,989,348	15,117,460	17,532,875	16,605,600
12,183,104	11,053,095	9,927,716	9,440,513	9,073,317	8,717,915	7,648,299
-	-	-	-	2,490	432,177	638,891
36,933,138	38,403,470	36,880,812	35,714,723	42,414,932	45,233,817	43,393,165
$ 92,558,620	$ 97,296,900	$ 95,140,558	$ 92,992,962	$104,281,945	$123,669,381	$122,139,445
$ 3,713,293	$ 3,859,492	4,735,876	$ 5,362,419	$ 5,262,092	$ 7,523,530	$ 51,425
2,551,241	2,120,724	2,134,812	3,290,386	3,924,353	4,287,281	3,158,482
301,330	421,557	708,024	574,911	342,698	323,780	609,555
17,228	17,474	17,900	18,000	18,700	18,700	18,700
1,683,629	742,258	283,124	1,271,240	370,336	419,003	1,907,570
26,855	17,101	772	6,756	8,444	12,734	10,073
2,635,631	2,860,417	2,704,804	3,653,585	38,159,877	7,081,477	6,351,660
6,440,037	2,231,014	7,722,800	5,881,477	33,764,892	23,302,874	9,033,112
1,936,614	7,735,245	3,108,476	10,342,801	23,660,274	12,561,974	3,568,618
19,305,858	20,005,282	21,416,588	30,401,575	105,511,666	55,531,353	24,709,195
17,037,634	16,936,737	17,777,900	16,774,287	16,964,116	17,954,725	21,114,773
648,323	650,555	655,608	1,054,326	935,728	2,657,101	2,297,764
17,732,648	18,230,960	18,470,837	19,378,136	19,526,658	18,543,371	21,271,559
9,739,499	9,303,573	9,017,048	8,566,131	8,267,064	8,432,677	7,428,676
-	-	-	-	-	160,536	1,270,631
45,158,104	45,121,825	45,921,393	45,772,880	45,693,566	47,748,410	53,383,403
$ 64,463,962	$ 65,127,107	$ 67,337,981	$ 76,174,455	$151,205,232	$103,279,763	$ 78,092,598

CITY OF SAN BRUNO
Changes in Net Position
(continued)
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	2016	2017	2018
Net Revenues (Expenses)			
Governmental activities	$ (33,726,447)	$ (32,235,436)	$ (27,892,749)
Business-type activities	5,606,277	6,958,233	5,388,771
Total net revenues (expenses)	$ (28,120,170)	$ (25,277,203)	$ (22,503,978)
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes:			
Property taxes, levied for general purposes	$ 9,500,264	$ 9,968,404	$ 10,515,309
Transient occupancy tax	3,316,369	3,286,913	3,424,660
Franchise tax	1,960,997	1,823,810	
Sales tax, including subvention	8,377,896	8,777,377	8,332,044
Cardroom taxes	1,735,696	1,781,208	1,843,532
Other taxes	2,514,851	2,492,886	2,607,258
Intergovernmental:			
State motor vehicle in-lieu tax, including subvention	4,016,571	4,329,287	4,576,283
State highway user tax	976,525	887,258	1,243,782
Use of money and property	1,640,673	1,248,861	1,159,121
Transfers	(258,524)	(3,476,327)	317,399
Total governmental activities	33,781,318	31,119,677	35,855,331
Business-type activities:			
Use of money and property	159,068	249,557	557,899
Transfers	258,524	3,476,327	(317,399)
Total business-type activities	417,592	3,725,884	240,500
Total primary government	$ 34,198,910	$ 34,845,561	$ 36,095,831
Change in Net Position			
Governmental activities	$ 54,871	$ (1,115,759)	$ 7,962,582
Business-type activities	6,023,868	10,684,117	5,629,271
Restatement	-	-	-
Total primary government	$ 6,078,739	$ 9,568,358	$ 13,591,853

2019	2020	2021	2022	2023	2024	2025
$ (36,319,624)	$ (38,888,148)	$ (36,843,158)	$ (26,876,664)	$ 43,644,653	$ (22,904,211)	$ (54,037,085)
8,224,966	6,718,355	9,040,581	10,058,157	3,278,634	2,514,593	9,990,238
$ (28,094,658)	$ (32,169,793)	$ (27,802,577)	$ (16,818,507)	$ 46,923,287	$ (20,389,618)	$ (44,046,847)
$ 11,846,367	$ 12,212,891	$ 12,618,447	$ 14,532,727	$ 14,931,681	$ 15,417,048	$ 16,171,524
3,628,979	2,617,524	1,247,467	2,408,999	3,459,947	3,558,287	3,409,014
1,839,359	1,861,256	1,798,673	1,624,176	1,705,417	2,076,227	2,153,559
8,764,449	9,281,920	17,780,042	21,549,194	20,928,603	20,818,065	23,611,601
1,904,512	1,974,980	2,035,009	2,220,592	3,181,236	3,333,236	3,435,504
2,213,593	1,972,392	2,045,462	2,277,785	2,219,479	4,028,690	3,118,653
4,909,295	5,013,326	3,180,581	7,646,019	5,314,866	5,584,474	6,084,725
1,811,108	1,844,231	1,852,026	-	-	-	-
2,121,974	2,130,318	(341,249)	(6,715,096)	(541,036)	11,237,201	10,114,200
(720,000)	(1,269,703)	(201,358)	600,381	94,724	(25,286,218)	(1,158,415)
38,319,636	37,639,135	42,015,100	46,144,777	51,294,917	40,767,010	66,940,365
1,625,062	1,413,655	498,412	608,506	1,154,107	2,767,893	3,166,235
720,000	1,269,703	201,358	(600,381)	(94,724)	25,286,218	1,158,415
2,345,062	2,683,358	699,770	8,125	1,059,383	28,054,111	4,324,650
$ 40,664,698	$ 40,322,493	$ 42,714,870	$ 46,152,902	$ 52,354,300	$ 68,821,121	$ 71,265,015
$ 2,000,012	$ (1,249,013)	$ 5,171,942	$ 19,268,113	$ 94,939,570	$ 17,862,799	$ 12,903,280
10,570,028	9,401,713	9,740,351	10,066,282	4,338,017	30,568,704	14,314,888
-	-	-	-	-	2,091,323	2,178,386
$ 12,570,040	$ 8,152,700	$ 14,912,293	$ 29,334,395	$ 99,277,587	$ 50,522,826	$ 29,396,554

CITY OF SAN BRUNO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year June 30,				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable	$ 3,529,925	$ 2,749,851	$ 1,657,895	$ -	$ -
Committed	19,639,289	15,726,434	20,306,330	21,462,554	21,109,020
Assigned	2,130,681	265,888	143,505	1,101,021	611,383
Unassigned	3,552,485	5,833,164	6,050,669	6,590,744	5,644,420
Total general fund	$28,852,380	$24,575,337	$28,158,399	$29,154,319	$27,364,823
All Other Governmental Funds					
Nonspendable	$ 90,000	$ 90,000	$ -	$ -	$ -
Restricted	12,444,902	15,727,642	18,264,533	18,501,668	22,102,576
Committed	3,059,683	3,082,506	3,216,534	-	-
Unassigned	-	-	(719)	-	-
Total all other governmental funds	$15,594,585	$18,900,148	$21,480,348	$18,501,668	$22,102,576

	Fiscal year June 30,				
	2021	2022	2023	2024	2025
General fund:					
Nonspendable	$14,415,651	$15,316,895	$16,679,225	$ 2,885,047	$ 2,926,596
Assigned	30,408,528	26,045,126	15,910,896	18,161,142	9,666,621
Unassigned	(9,442,918)	5,234,248	7,436,975	39,791,018	53,483,838
Total general fund	$35,381,261	$46,596,269	$40,027,096	$60,837,207	$66,077,055
All other governmental funds:					
Restricted	$22,782,488	$53,426,528	$75,224,281	$49,911,286	$48,703,089
Committed	-	-	-	2,404,964	652,042
Assigned	-	-	24,713,580	19,023,597	21,153,699
Unassigned	(16,928)	(36,617,622)	(9,500,800)	(871,569)	(3,212,432)
Total all other governmental funds	$22,765,560	$16,808,906	$90,437,061	$70,468,278	$67,296,398

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CITY OF SAN BRUNO
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2016	2017	2018
Revenues			
Taxes	$ 26,272,319	$ 26,952,603	$ 27,836,907
Licenses and permits	3,451,841	3,981,683	3,893,645
Intergovernmental	4,787,432	5,061,978	5,441,457
Charges for services	3,398,555	3,405,255	3,301,524
Fines and Forfeitures	698,463	1,132,649	7,009,636
Use of money and property	1,674,729	1,272,582	1,189,135
Other revenues	8,467,574	10,445,009	11,436,819
Total revenues:	48,750,913	52,251,759	60,109,123
Expenditures			
General Government	5,966,987	6,256,661	6,220,529
Public safety	22,978,100	23,159,049	24,877,089
Public works	895,218	852,334	984,844
Highways and streets	1,537,442	1,700,057	1,494,003
Parks and recreation	5,301,162	4,967,433	5,717,215
Library	1,758,937	1,841,983	2,038,896
Community Development	2,509,152	2,690,910	2,856,118
Capital outlay	5,137,379	7,844,120	8,675,937
Debt service:			
Principal	829,272	1,939,282	1,035,038
Interest	386,635	368,929	363,591
Total expenditures	47,300,284	51,620,758	54,263,260
Reconciliation of Government Revenues			
Less expenditures to fund equity			
Revenues over (under) expenditures	1,450,629	631,001	5,845,863
Other financing sources (Transfer in)	24,558,269	6,354,831	8,730,402
Other financing sources (Transfer out)	(18,385,696)	(9,831,158)	(8,413,003)
Other financing sources (Capital lease)	-	1,873,846	-
Other financing sources (uses):			
Proceeds from sale of property	-	-	-
Proceeds of debt issued (refunds)	-	-	-
Total other financing sources (uses)	-	-	-
Net change in fund balances (3)	$ 7,623,202	$ (971,480)	$ 6,163,262
Debt service as a percentage of noncapital expenditures	2.9%	5.3%	3.1%

2019	2020	2021	2022	2023	2024	2025
$ 30,183,994	$ 29,841,240	$ 37,397,196	$ 44,256,905	$ 46,012,683	$ 47,073,160	$ 50,806,561
4,807,519	3,850,848	5,135,532	6,093,601	40,065,556	21,429,107	9,772,434
6,193,125	6,809,578	6,154,618	13,464,391	11,092,673	26,291,223	13,250,858
3,689,192	2,918,239	2,093,216	3,997,199	4,636,795	4,339,526	5,432,423
1,345,048	1,115,456	824,466	783,915	1,078,325	1,024,684	1,061,006
2,277,193	2,349,974	(250,036)	(6,658,443)	329,244	9,665,220	10,569,499
9,396,817	12,481,391	12,194,820	14,008,403	53,579,817	8,486,054	1,030,656
57,892,888	59,366,726	63,549,812	75,945,971	156,795,093	118,308,974	91,923,437
6,151,598	6,526,050	7,055,055	8,020,370	10,465,883	9,061,268	11,660,028
26,538,743	27,536,184	28,682,296	30,693,706	34,619,832	36,917,346	33,693,016
1,255,226	1,447,402	1,540,457	1,551,310	2,053,186	2,143,316	1,583,990
1,605,936	1,928,545	1,644,167	1,870,115	2,127,432	2,616,323	2,535,294
5,795,227	5,844,760	4,838,508	5,164,289	5,744,341	7,015,179	9,365,709
2,067,693	2,105,201	1,957,533	2,094,036	2,250,227	2,365,086	2,285,190
2,934,136	3,043,416	2,649,788	2,838,991	3,251,228	3,609,519	5,073,935
12,649,502	6,172,424	4,498,002	18,577,288	28,272,567	31,645,225	22,135,312
1,411,245	1,358,246	1,398,135	1,357,151	1,446,246	1,146,790	1,191,580
343,660	356,404	315,091	277,303	290,595	217,131	172,985
60,752,966	56,318,632	54,579,032	72,444,559	90,521,537	96,737,183	89,697,039
(2,860,078)	3,048,094	8,970,780	3,501,412	66,273,556	21,571,791	2,226,398
8,404,503	10,231,738	12,170,782	12,083,255	30,679,744	26,557,786	17,706,467
(9,124,503)	(11,501,441)	(12,462,140)	(11,926,313)	(30,585,020)	(51,994,004)	(18,864,882)
1,630,339		-	-	-	-	-
-	-	-	-	-	4,705,755	999,985
-	-	-	1,600,000	690,702	-	-
-	-	-	1,600,000	690,702	-	-
$ (1,949,739)	$ 1,778,391	$ 8,679,422	$ 5,258,354	$ 67,058,982	$ 841,328	$ 2,067,968
3.6%	3.4%	3.4%	3.0%	2.8%	1.9%	2.0%

City of San Bruno, California

Assessed Value and Estimated Actual Value of Taxable Property

For the last ten fiscal years

Fiscal Year End	Residential Property (a)	Commercial Property (a)	Industrial Property (a)	Other Property (a)	Total Secured Property	Total Unsecured Property	Total Assessed (b)	Estimated Full Market Value (b)	Total Direct Tax Rate (c)
2016	5,014,371,175	1,104,091,897	58,749,109	63,704,550	6,240,916,731	186,926,223	6,427,842,954	6,427,842,954	1.0000
2017	5,359,750,309	1,226,598,661	75,276,105	68,634,181	6,730,259,256	209,798,255	6,940,057,511	6,940,057,511	1.0000
2018	5,646,827,286	1,357,155,853	77,211,922	72,559,603	7,153,754,664	212,376,474	7,366,131,138	7,366,131,138	1.0000
2019	6,036,268,674	1,503,692,754	78,754,420	77,125,479	7,695,841,327	193,402,416	7,889,243,743	7,889,243,743	1.0000
2020	6,402,789,888	1,635,452,776	81,593,747	93,290,564	8,213,126,975	191,580,394	8,404,707,369	8,404,707,369	1.0000
2021	6,805,415,098	1,810,368,170	83,857,367	134,679,313	8,834,319,948	144,575,709	8,978,895,657	8,978,895,657	1.0000
2022	7,107,728,273	1,790,875,440	144,928,994	131,588,023	9,175,120,730	130,101,776	9,305,222,506	9,305,222,506	1.0000
2023	7,589,901,022	1,988,665,638	151,056,673	127,238,414	9,856,861,747	101,307,134	9,958,168,881	9,958,168,881	1.0000
2024	7,983,580,801	2,408,574,971	156,279,283	78,034,047	10,626,469,102	107,490,029	10,733,959,131	10,733,959,131	1.0000
2025	8,314,981,002	2,672,449,469	161,852,543	76,814,246	11,226,097,260	125,471,218	11,351,568,478	11,351,568,478	1.0000

Source: California Municipal Statistics and County Assessor Data

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

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

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

City of San Bruno, California

Direct and Overlapping Property Tax Rates

For the last ten fiscal years

(rate per $100 of assessed value)

	Direct Rates		Overlapping Rates		
Fiscal Year	Basic Rate	Total Direct	School Districts	Special Districts	Total Tax Rate
2016	1.0000	1.0000	0.0929	0.0000	1.0929
2017	1.0000	1.0000	0.0910	0.0000	1.0910
2018	1.0000	1.0000	0.0900	0.0000	1.0900
2019	1.0000	1.0000	0.0801	0.0000	1.0801
2020	1.0000	1.0000	0.1148	0.0000	1.1148
2021	1.0000	1.0000	0.1112	0.0000	1.1112
2022	1.0000	1.0000	0.1103	0.0000	1.1103
2023	1.0000	1.0000	0.1026	0.0000	1.1026
2024	1.0000	1.0000	0.0934	0.0000	1.0934
2025	1.0000	1.0000	0.0865	0.0000	1.0865

Source: California Municipal Statistics

City of San Bruno, California
Principal Property Taxpayers
Current Year and Nine Years Ago

		2024-2025					2015-2016		
Property Owner	Primary Land Use	Assessed Valuation	Rank	% of Total(1)	Property Owner	Primary Land Use	Assessed Valuation	Rank	% of Total(2)
Google Inc.	Office Building	1,310,174,049	1	11.67%	ASN Tanforan Crossing I & II LLC	Apartments	142,802,870	1	2.29%
Crystal Springs Associates	Apartments	191,561,853	2	1.71%	Bayhill Four Associates	Office Building	137,117,243	2	2.20%
ASN Tanforan Crossing I & II LLC	Apartments	169,398,464	3	1.51%	Tanforan Park Shopping Center LLC	Shopping Center	127,730,186	3	2.05%
Walmart Stores Inc.	Office Building	145,421,071	4	1.30%	Walmart Stores, Inc	Office Building	123,417,580	4	1.98%
ARE-San Francisco No. 96 Holding LLC	Shopping Center	140,636,625	5	1.25%	San Bruno III Financing LP	Apartments	88,116,520	5	1.41%
ARE-San Francisco No. 95 Holding LLC	Shopping Center	130,882,320	6	1.17%	CREA-San Bruno LLC	Office Building	64,029,524	6	1.03%
ARE-San Francisco No. 94 Holding LLC	Shopping Center	111,056,508	8	0.99%	The Gap Inc.	Office Building	62,263,147	8	1.00%
San Bruno III Financing LP	Apartments	104,298,470	9	0.93%	Welch Family Partnership	Industrial and Commercial	60,241,687	9	0.97%
Benringer Harvard Acappella LP	Apartments	90,850,000	7	0.81%	Behringer Harvard Acappella LP	Apartments	58,316,220	7	0.93%
Amazon.com Services LLC	Industrial	88,027,787	10	0.78%	Aimco San Bruno Apartments Partners LP	Apartments	56,452,467	10	0.90%
Subtotal		$ 2,482,307,147		22.11%			$ 920,487,444		14.75%

Total Local Secured Assessed Valuation:

(1) Fiscal Year 2024-25	11,226,097,260
(2) Fiscal Year 2015-16	6,240,916,731

Source(s): Financial Statements and California Municipal Statistics, Inc.

City of San Bruno, California

Schedule of Top 40 Business License Taxpayers

(Listed in Alphabetical Order)

For the year ended June 30, 2025

Name	
ALL SHORES	135 EL CAMINO REAL
AT HOME SUPPORT SENIOR CARE LLC	1590 EL CAMINO REAL K-J
BJ'S RESTAURANT	1150 EL CAMINO REAL 270
CENTURY THEATERS INC.#494	1188 EL CAMINO REAL
COURTYARD BY MARRIOTT SAN FRANCISCO AIRPORT	1050 BAYHILL DR
CRESTMOOR AUTO CENTER	2901 SAN BRUNO AVE W
CVS/PHARMACY #9807	10 BAYHILL SHOPPING CENTER
ENTERPRISE RENT A CAR OF SAN FRANCISCO LLC	734 SAN BRUNO AVE E
GRAND GAS	2101 SAN BRUNO AVE W
HYUNDAI OF SAN BRUNO / GENESIS OF SAN BRUNO	1178 EL CAMINO REAL
INTERFRESH INC.	901 SNEATH LN 215
INTERO REAL ESTATE SERVICES, INC.	180 EL CAMINO REAL
JACK'S RESTAURANT & BAR	1050 ADMIRAL CT
JCPENNEY	1122 EL CAMINO REAL
LA PETITE BALEEN SWIM SCHOOL	434 SAN MATEO AVE
LOWE'S HOME CENTERS LLC	1340 EL CAMINO REAL
LUCKY #748	1322 EL CAMINO REAL
LUNARDI'S MARKET	2801 SAN BRUNO AVE W
MARSHALL'S #492	1268 EL CAMINO REAL
MOLLIE STONE'S MARKET	851 CHERRY AVE 22
NEXT PETROLEUM	2001 ROLLINGWOOD DR
RECOLOGY SAN BRUNO	101 TANFORAN AVE
RMC MOTORCARS	444 EL CAMINO REAL
SAN BRUNO BB MOBIL	717 SAN BRUNO AVE E
SAN BRUNO GAS	401 SAN MATEO AVE
SAN BRUNO SHELL- GAS STATION	798 EL CAMINO REAL
SAN BRUNO SKILLED NURSING	890 EL CAMINO REAL
SAN BRUNO TOWNE CENTER	1 SAN BRUNO TOWNE CTR
SPECIALTY TOBACCO OUTLET	1230 EL CAMINO REAL L
STRATFORD SCHOOL	2322 CRESTMOOR DR
TANFORAN SHELL	1199 EL CAMINO REAL
TARGET STORE T1054	1150 EL CAMINO REAL
THE PERMANENTE MEDICAL GROUP	901 EL CAMINO REAL
THE PERMANENTE MEDICAL GROUP TAX DEPT.	801 TRAEGER AVE
VICTORY HONDA OF SAN BRUNO	345 EL CAMINO REAL
VICTORY TOYOTA OF SAN BRUNO	222 SAN BRUNO AVE E
VINCE'S SHELL FISH CO. INC	1063 MONTGOMERY AVE
WALGREENS #2939	333 EL CAMINO REAL
WELCH FAMILY PARTNERSHIP LLC	383 SAN BRUNO AVE W
YOU TUBE INC.	901 CHERRY AVE

Source : City of San Bruno Business Tax

City of San Bruno, California
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	5,812,961	5,812,961	100%	-	5,812,961	100%
2017	6,241,601	6,241,601	100%	-	6,241,601	100%
2018	6,783,529	6,783,529	100%	-	6,783,529	100%
2019	7,059,221	7,059,221	100%	-	7,059,221	100%
2020	7,609,212	7,609,212	100%	-	7,609,212	100%
2021	8,003,597	8,003,597	100%	-	8,003,597	100%
2022	8,596,769	8,596,769	100%	-	8,596,769	100%
2023	8,942,061	8,942,061	100%	-	8,942,061	100%
2024	9,625,893	9,625,893	100%	-	9,625,893	100%
2025	10,174,757	10,174,757	100%	-	10,174,757	100%

Source: City financial records

Note: Amounts reported and collected under the Teeter Plan in which all taxes are distributed to the City in the year of the levy with the County of San Mateo retaining any interest or penalties on uncollected balances.

City of San Bruno, California

Ratios of Outstanding Debt by Type

For the last ten fiscal years

Fiscal Year Ended June 30,	Governmental Activities Capital Leases	Pension Obligation Bonds	Fire Apparatus 2017 Capital Lease	Cable Router Capital Lease	2022 Fire Engines	Subscription Based IT Agreements	Subtotal
2016	109,001	10,250,302	-	-	-	-	10,359,303
2017	73,719	9,454,820	784,846	-	-	-	10,313,385
2018	37,395	8,644,338	616,132	-	-	-	9,297,865
2019	-	7,808,856	444,214	1,283,408	-	-	9,536,478
2020	-	6,948,374	269,031	980,344	-	-	8,197,750
2021	-	6,062,892	90,522	665,719	-	-	6,819,133
2022	-	5,142,410	-	339,090	1,600,000	280,502	7,362,002
2023	-	4,191,928	-	-	1,462,844	698,701	6,353,473
2024	-	3,206,446	-	-	1,426,436	398,540	5,031,422
2025	-	2,180,964	-	-	1,174,474	280,808	3,636,246

Fiscal Year Ended June 30,	Business-type Activities Wastewater Revenue Refunding Bond	Wastewater Revenue Bonds	Water Revenue Bonds	City of South San Francisco Sewer Plant Loan	Wastewater Certificates of Participation	Cable TV Capital Lease Obligation	Subtotal	Total Primary Government	Population	Debt Per Capita	Debt As Percent of Personal Income
2016	6,708,883	-	-	7,741,648	-	-	14,450,531	24,809,834	45,360	546.95	1.5%
2017	6,426,008	-	-	6,890,896	-	-	13,316,904	23,630,289	45,295	521.70	1.4%
2018	6,128,132	27,096,017	12,861,644	6,018,384	-	-	52,104,177	61,402,042	46,085	1,332.37	3.3%
2019	5,825,258	26,763,483	12,700,089	5,123,552	-	-	50,412,382	59,948,860	45,257	1,324.63	3.1%
2020	5,512,381	26,235,949	12,448,534	4,205,832	-	-	48,402,697	56,600,446	45,454	1,245.22	2.8%
2021	5,184,506	25,693,415	12,191,980	3,264,637	-	-	46,334,537	53,153,670	44,936	1,182.87	2.5%
2022	4,846,630	25,135,881	11,930,425	2,299,366	-	-	44,212,302	51,574,304	42,656	1,209.08	2.2%
2023	4,493,753	24,563,347	11,658,870	1,724,756	-	-	42,440,726	48,794,199	42,054	1,160.27	1.8%
2024	4,130,879	23,970,813	11,377,315	14,087,155	-	-	53,566,162	58,597,584	42,152	1,390.15	1.9%
2025	3,748,004	23,358,280	11,085,760	13,061,752	-	-	51,253,796	54,890,042	42,631	1,287.56	1.7%

Fiscal Year Ended June 30,	Fiduciary Funds Certificates of Participation	2019 Lease Revenue Bonds
2016	6,610,000	-
2017	6,310,000	-
2018	5,995,000	-
2019	-	5,299,064
2020	-	4,956,642
2021	-	4,579,220
2022	-	4,186,798
2023	-	3,784,376
2024	-	3,366,954
2025	-	2,939,532

Source: City financial records

City of San Bruno, California
Direct and Overlapping Governmental Activities Debt
June 30, 2025

2024-2025 Assessed Valuation:	$ 11,351,679,479		
Overlapping Tax and Assessment Debt:	Total Debt 6/30/25	% Applicable (1)	City's Share of Debt 6/30/25
San Mateo Community College District	$ 655,171,697	3.486%	$ 22,839,285
South San Francisco Unified School District	283,311,507	0.948	2,685,793
San Mateo Union High School District	668,248,421	9.982	66,704,557
San Bruno Park School District	73,135,754	96.143	70,314,908
Millbrae School District	42,989,527	3.100	1,332,675
Total overlapping tax and assessment debt			$ 163,877,218
Ratios to 2024-25 Assessed Valuation:			
Total Overlapping Tax and Assessment Debt			1.44%
Direct and Overlapping General Fund Debt:			
San Mateo County General Fund Obligations	$530,970,772	3.486%	$ 18,509,641
San Mateo County Board of Education Certificates of Participation	5,330,000	3.486	185,804
San Mateo County Flood and Sea LRR District General Fund Obligations	12,200,000	6.007	732,854
South San Francisco Unified School District General Fund Obligations	2,340,000	0.948	22,183
San Bruno Park School District General Fund Obligations	1,095,000	96.143	1,052,766
City of San Bruno General Funds Obligations	1,174,474	100	1,174,474
City of San Bruno Pension Obligation Bonds	2,220,000	100	2,220,000
San Mateo County Mosquito and Vector Control District General Fund Obligations	3,185,295	3.486	111,039
Total direct and overlapping general fund debt			$24,008,761
Overlapping Tax Increment Debt (Successor Agency)			
City of San Bruno Lease Revenue Bonds	2,625,000	100.00%	2,625,000
Total overlapping tax increment debt (Successor Agency)			$2,625,000
Total Direct Debt			3,394,474
Total Overlapping Debt			187,116,505
Combined Total Debt(2)			$ 190,510,979 (2)
Ratios to Adjusted Assessed Valuation:			
Total Direct Debt ($3,394,474)			0.03%
Combined Total Debt			1.68%
Ratios to Redevelopment Successor Agency Incremental Valuation ($2,324,857,599):			
Total Overlapping Tax Increment Debt			0.11%

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

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

Source: California Municipal Statistics & City Financial Statement

City of San Bruno, California

Legal Debt Margin Information

Last Ten Fiscal Years

(in thousands of dollars)

Legal Debt Margin Calculation for Fiscal Year 2025 (1)	
Gross Assessed Valuation	$ 11,351,679,479
Bonded Debt Limit (3.75% of Assessed Value)	425,687,980
Less Amount of Debt Applicable to Limit	-
Legal Bonded Debt Margin	$ 425,687,980

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 967,607	$ 260,349	$ 275,518	$ 295,778	$ 315,178	$ 336,709	$ 348,946	$ 373,438	$ 402,530	$ 425,688
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	$ 967,607	$ 260,349	$ 275,518	$ 295,778	$ 315,178	$ 336,709	$ 348,946	$ 373,438	$ 402,530	$ 425,688
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note:
(1) California Government Code, Section 43605 sets the debt limit at 15% of gross assessed valuation. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75%(one-fourth the limit of 15%).
FY2016-17 and onwards, the debt limit is at 3.75%.
Source: California Municipal Statistic

City of San Bruno, California

Pledged Revenue Coverage

For the last ten fiscal years

Fiscal Year Ended June 30,	Business-type Activities					
	Wastewater Certificates of Participation					
	Gross Revenues [1]	Less: Operating Expenses [2]	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2014 [3]	15,549,816	6,748,392	8,801,424	245,000	-	35.92
	2013 Wastewater Revenue Refunding Bonds					
2016	15,954,642	8,355,894	7,598,748	260,000	281,288	14.04
2017	15,923,694	9,305,503	6,618,191	265,000	273,081	12.30
2018	17,032,182	8,431,394	8,600,788	280,000	263,875	15.81
2019	18,643,453	8,039,977	10,603,476	285,000	253,275	19.70
2020	18,947,384	8,955,800	9,991,584	295,000	241,675	18.62
2021	18,710,405	8,990,002	9,720,403	310,000	229,188	18.03
2022	19,677,857	9,111,455	10,566,402	320,000	217,200	19.67
2023	20,103,735	11,340,620	8,763,115	335,000	204,263	16.25
2024	19,814,671	13,109,785	6,704,886	345,000	188,100	12.58
2025	22,683,129	11,407,066	11,276,063	365,000	170,350	21.06
	2017 Wastewater Revenue Bonds					
2018	17,032,182	8,431,394	8,600,788	-	-	-
2019	18,643,453	8,039,977	10,603,476	245,000	1,073,309	8.04
2020	18,947,384	8,955,800	9,991,584	440,000	993,100	6.97
2021	18,710,405	8,990,002	9,720,403	455,000	979,675	6.78
2022	19,677,857	9,111,455	10,566,402	470,000	963,450	7.37
2023	20,103,735	11,340,620	8,763,115	485,000	944,350	6.13
2024	19,814,671	13,109,785	6,704,886	505,000	924,500	4.69
2025	22,683,129	11,407,066	11,276,063	525,000	901,325	7.91
	2017 Water Revenue Bonds					
2018	15,561,896	8,819,147	6,742,749	-	-	-
2019	17,721,522	9,032,331	8,689,191	120,000	509,394	13.81
2020	17,614,884	9,715,615	7,899,269	210,000	471,250	11.60
2021	18,031,439	10,443,967	7,587,472	215,000	464,875	11.16
2022	17,078,773	9,486,358	7,592,415	220,000	457,250	11.21
2023	17,540,442	13,984,614	3,555,828	230,000	448,250	5.24
2024	19,017,550	19,760,919	(743,369)	240,000	438,850	(1.10)
2025	22,606,638	13,014,281	9,592,357	250,000	427,800	14.15

Note:

[1] Gross revenues include nonoperating interest income.

[2] Operating expenses do not include interest, depreciation, or amortization expenses.

[3] In Fiscal Year 2013-14, the City authorized the sale of Wastewater Revenue Refunding Bonds to refinance the outstanding 2002 Certificates of Participation.

Source: City financial records

City of San Bruno, California
Demographic and Economic Statistics
Last ten calendar years

Year	Population (1)	Total Personal Income (2)	Per Capita Personal Income (2)	Median Age(3)	San Mateo County **School Enrollment	San Mateo County County Unemployment Rate(4)	City Unemployment Rate(4)
2016	45,360	1,609,096,610	36,458	38.7	3,833	3.4%	3.3%
2017	45,295	1,730,842,888	38,213	39.2	3,774	3.0%	2.9%
2018	46,085	1,873,078,740	40,644	39.2	3,854	2.2%	2.3%
2019	45,257	1,940,212,847	42,871	39.3	3,692	1.7%	1.8%
2020	45,454	2,026,702,952	44,588	39.6	3,679	11.1%	13.4%
2021	44,936	2,162,634,872	48,127	39.3	3,462	6.9%	8.1%
2022	42,656	2,358,010,883	55,280	38.8	3,210	1.7%	1.9%
2023	42,054	2,711,565,802	64,478	39.0	3,110	2.7%	2.6%
2024	42,152	3,040,679,201	72,136	39.0	3,058	2.9%	2.9%
2025	42,631	3,315,673,345	77,776	39.8	3,064	3.4%	3.4%

Source: FY2023-24 and prior - City of San Bruno - ACFR Publication Report

Source: MuniServices, LLC / Neumo

1) Population projections are provided by the State Department of Finance Projections.

2.) Income Data is provided by the U.S. Census Bureau.

3.) Median Age reflects the U.S. Census data estimation table.

**Student Enrollment reflects the total number of students enrolled in Capuchino High & San Bruno Park Elementary School District.

4.) Unemployment Rates are provided by the EDD, Labor Market Information Division. San Mateo County

City of San Bruno, California
Principal Employers
Current Year and Nine Years Ago

Employer	2024-2025 Employees	2024-2025 Rank	2024-2025 Percentage of Total Employment	2015-2016 Employees	2015-2016 Rank	2015-2016 Percentage of Total Employment
You Tube, Inc	2,535	1	10.30%	1,732	1	6.56%
Walmart eCommerce Corporate Office**	2,165	2	8.80%			
Skyline College	549	3	2.23%	583	2	2.21%
Artichoke Joe's Casino	448	4	1.82%	393	3	1.49%
City of San Bruno*	279.5	5	1.14%	234	5	0.89%
San Bruno Park School District	234	6	0.95%	280	4	1.06%
Target Store	175	7	0.71%	220	7	0.83%
Lowe's Home Improvement Store	170	8	0.69%	157	9	0.59%
Capuchino High School (SMUHSD)	132	9	0.54%	130	10	0.49%
Church of the Highlands	92	10	0.37%			
Lash Group, Inc.				226	6	0.86%
Sears, Roebuck & Co				190	8	0.72%
Total Top Employers	6,780		27.56%	4,145		15.70%
Total City Labor (1)	24,600			26,400		

Source: MuniServices, LLC / Neumo
Source: FY2016, City of San Bruno - FYE2016 ACFR Publication Report
Results based on direct correspondence with city's local businesses.
(1) Total City Employement provided by EDD Labor Force Data.
*Employee count from City's Adopted Budget FY2024/2025.
***Walmart eCommerce Corporate Office & Store - Previous employee count applied.*

City of San Bruno, California

Full-time Equivalent City Employees by Function/Program

Last Ten Fiscal Years
(Fiscal year ended June 30)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Clerk	1.75	1.75	1.75	2.00	2.00	2.00	2.00	2.00	2.00	2.00
City Treasurer	1.00	1.00	0.50	-	-	-	-	-	-	-
Legal Services	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	0.25	-
City Manager	3.00	3.00	3.00	4.00	4.00	4.00	3.00	3.50	4.50	4.50
Human Resources	2.25	2.25	2.25	2.25	2.25	2.25	2.25	3.25	4.25	3.75
Finance										
Administration	5.00	5.50	5.50	5.00	5.00	5.00	5.00	7.00	8.00	8.00
Revenue Services	5.00	4.50	4.50	5.00	5.00	5.00	5.00	4.00	3.50	3.00
Police	62.50	64.00	65.00	69.00	69.00	72.00	64.00	66.75	68.50	71.00
Fire	33.40	35.00	35.00	36.00	36.00	36.00	32.00	34.25	35.50	39.00
Public Works										
Admin. & Engineering	6.70	6.70	6.70	6.70	6.70	5.65	7.35	10.60	11.55	10.31
Streets Maintenance	5.80	5.80	5.80	5.70	5.70	5.65	4.70	5.25	5.90	10.35
Community Development										
Planning	4.25	5.75	5.25	6.25	5.25	5.25	5.50	6.00	6.50	-
Building	7.75	8.25	8.75	8.75	10.75	7.75	6.50	6.50	6.50	-
Parks & Recreation Services										
Recreation	4.90	4.90	4.90	4.90	4.90	4.95	3.95	5.05	11.55	-
Parks Maintenance	13.05	13.05	13.05	15.05	15.05	14.85	10.85	15.50	12.35	13.85
Senior Services	3.75	3.65	3.65	3.65	3.65	3.90	2.90	2.90	3.15	3.15
Library Services	7.75	7.85	7.85	7.85	7.85	7.80	7.30	7.30	7.45	7.45
Subtotal	174.10	179.20	179.70	188.35	189.35	188.30	168.55	186.10	196.45	181.36
Other General Funds										
American Rescue Plan Act	-	-	-	-	-	-	19.00	14.25	9.50	-
Subtotal	-	-	-	-	-	-	19.00	14.25	9.50	-
Special Revenues										
Solid Waste	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.71
Community Development										16.00
Recreation and Aquatic Center										11.55
Subtotal	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	0.45	28.26
Internal Services										
Central Garage	2.35	2.35	2.35	2.35	2.35	2.60	2.60	2.65	2.65	3.11
Buildings and Facilities	7.05	7.05	7.05	8.05	8.05	8.85	8.90	8.95	8.95	9.11
Technology Support	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.25	3.50	4.00
Self-Insurance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50	0.75
Subtotal	13.40	13.40	13.40	14.40	14.40	15.45	15.50	15.85	15.60	16.97
Enterprise Funds										
Water Enterprise	17.45	17.95	17.95	17.95	17.95	17.95	18.20	19.10	19.20	18.79
Stormwater Enterprise	3.95	3.95	3.95	6.05	6.05	6.05	6.05	6.10	6.10	6.16
Wastewater Enterprise	16.30	16.80	16.80	16.80	16.80	16.80	15.75	16.65	16.70	15.46
Cable Enterprise	20.00	20.00	20.00	20.00	20.00	20.00	19.00	17.00	17.00	14.00
Subtotal	57.70	58.70	58.70	60.80	60.80	60.80	59.00	58.85	59.00	54.41
Glenview Funds										
Crestmoor (Glenview) Recovery	3.70	2.00	0.50	-	-	-	-	-	-	-
Subtotal	3.70	2.00	0.50	-	-	-	-	-	-	-
Total Positions (all funds)	249.35	253.75	252.75	264.00	265.00	265.00	262.50	275.50	281.00	281.00

Source: Adopted City Budget

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

City of San Bruno, California

Operating Indicators by Function/Program

Last Ten Fiscal Years

(Fiscal year ended June 30)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Calls for Service	36,144	31,333	42,057	47,429	44,684	41,406	42,260	44,712	40,809	38,555
Physical arrests	1,280	1,311	1,087	1,627	1,240	845	1,331	1,436	1,392	935
Parking violations**	11,675	15,525	14,205	18,252	9,848	13,396	9,969	12,285	18,422	27,167
Traffic collisions	452	384	325	338	237	233	217	189	181	169
Moving citations	2,221	2,225	2,424	2,447	2,199	1,953	1,363	1,387	1,492	1,589
Fire										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of calls answered	3,574	4,288	3,874	4,006	4,236	4,092	5,486	5,938	5,468	4,866
Number of inspection conducted**	1,420	1,360	1,307	1,415	1,621	1,444	1,110	1,026	958	868
Public Works										
Street repair (sq. ft.)	861,150	145,204	539,343	816,331	80,999	29,457	227,300	4,860	822,434	#######
Potholes repaired	1,618	2,333	1,442	1,905	2,546	2,735	1,694	1,745	5,000	670
Sidewalk repair (sq. ft)	651	262	119,922	3,624	8,001	2,003	16,950	5,555	4,627	1,880
Sidewalk curb&gutter repair (ft)	109	886	26,041	700	1,269	1,234	1,650	2,050	5,363	1,242
Street light poles replaced	9	13	65	44	50	10	5	38	1	37
Community Development:										
Plans checks	553	445	549	688	622	162	846	846	1,242	1,839
Permits Issued	1,622	1,500	1,468	1,455	1,276	1,471	1,589	1,589	1,496	1,822
Parks & Recreation:										
Picnic rentals	859	842	888	820	532	107	771	566	733	779
Number of trees planted	75	100	100	100	71	100	83	0	62	92
Linear miles of medians maintained	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35	7.35
Library:										
Library circulation	329,210	337,671	334,711	353,015	294,333	165,059	525,389	297,317	329,187	328,569
Library visits	182,263	179,150	190,466	205,851	161,907	10,813	120,398	129,104	127,889	124,762
Water										
New service connections	285	363	243	282	238	299	161	703	337	631
Gallons purchased(millions of gallons)	507	948	950	1,102	907	2,647	374	733	1,152	1,163
Stormwater										
Number of curb miles swept	5,540	5,540	5,540	5,540	5,540	5,540	5,540	5,540	5,540	5,540
Number of catch basins cleaned and inspected	1,223	1,223	1,550	2,120	2,680	2,680	2,680	2,680	2,680	2,680
Cable										
Number of Internet service subscribers	6,337	6,460	6,600	7,260	7,109	7,300	6,650	6,250	5,896	5,335
Number of new customer installations	1,208	1,031	1,200	1,500	1,112	1,112	1,350	1,061	295	87

* Historical data is not available

**Calendar year as of October 31

Source: Various City department records. Started tracking by function in 2011

City of San Bruno, California

Capital Asset Statistics by Function/Program

Last Nine Fiscal Years

(Fiscal year ended June 30)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Safety										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of fire stations	2	2	2	2	2	2	2	2	2	2
Public Works										
Miles of streets	89	89	89	89	89	89	89	89	89	89
Average Citywide Pavement Condition Index (PCI) Score	64	62	61	66	62	65	64	64	64	64
Miles of Sidewalk	178	178	178	178	178	178	178	178	178	143
Number of street lights	*	*	*	1,909	1,909	1,909	41	41	41	1,985
Number of traffic signals	17	17	17	17	17	17	17	17	17	18
Number of street signs	*	*	*	4,943	5,240	5,245	439	439	439	4,924
Water										
Miles of water mains	*	*	*	120	120	120	120	120	120	120
Number of fire hydrants	*	*	*	949	949	950	985	985	985	985
Number of water wells	4	4	4	4	4	4	5	5	5	5
Number of pump stations	8	8	8	8	8	8	8	8	8	8
Number of water tanks	8	8	8	8	8	8	8	8	8	8
Number of pressure regulator stations	26	26	26	26	26	26	13	13	13	13
Wastewater/Sewer										
Miles of sanitary sewers main	*	*	*	89	89	89	87	87	87	90
Miles of sewer lift (pump) stations	6	6	6	6	6	6	6	6	6	6
Stormwater										
Number of storm sewer main	36	36	36	36	36	36	36	36	36	36
Number of trash capture devices	55	55	55	277	284	287	293	296	296	410
Leisure and Culture										
Number of parks	18	18	18	18	18	19	19	19	19	19
Acres of maintained landscaped areas	96	96	96	97	97	97	97	97	97	97
Acres of open space	128	128	128	128	128	128	128	128	128	128
Number of trees	4,700	6,300	6,300	6,777	6,777	6,777	6,777	6,777	6,777	7,250
Number of libraries	1	1	1	1	1	1	1	1	1	1
Number of senior centers	1	1	1	1	1	1	1	1	1	1
Number of recreation center facilities	1	1	1	1	1	1	1	1	1	1

Note:

* Historical data is not available

Source: City of San Bruno

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APPENDIX C

FORM OF OPINION OF BOND COUNSEL

________, 2026

City Council
City of San Bruno
567 EL Camino Real
San Bruno, CA 94066

OPINION: $______ City of San Bruno (County of San Mateo, California)
2026 General Obligation Bonds

Members of the City Council:

We have acted as bond counsel to the City of San Bruno (the "City") in connection with the issuance by the City of the above-captioned general obligation bonds (the "Bonds"). In such capacity, we have examined such law and such certified proceedings, certifications and other documents as we deem necessary to render this opinion.

The Bonds are being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 (the "Bond Law"), and a resolution adopted by the City Council of the City on July 14, 2026 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied upon certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

Based on the foregoing, we are of the opinion that, under existing law:

1. The City is a duly created and validly existing general law city and municipal corporation with the power to adopt the Resolution, perform the agreements on its part contained therein, and issue the Bonds.

2. The Resolution has been duly adopted by the City Council and constitutes a valid and binding obligation of City, enforceable against the City in accordance with its terms.

3. The Bonds have been duly authorized and executed by City, and are valid and binding general obligations of City.

4. The City is obligated and authorized under the laws of the State of California to levy ad valorem taxes, without limit as to rate or amount (except with respect to certain personal

property that is taxable at limited rates), upon the taxable property in the City for the payment when due of the principal of and interest on the Bonds.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. The opinions set forth in the preceding sentence are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended, relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Interest on the Bonds may be subject to the corporate alternative minimum tax. We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Fiscal Agent Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur. Moreover, our opinions are not a guarantee of a particular result, and are not binding on the Internal Revenue Service or any court; rather, our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations, opinions, and covenants referenced above.

Our engagement with respect to this matter has terminated as of the date hereof.

Respectfully submitted,

APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

$________
CITY OF SAN BRUNO
(County of San Mateo, California)
2026 General Obligation Bonds

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "Disclosure Certificate") is executed and delivered by the City of San Bruno (the "City") in connection with the issuance of the above-captioned bonds (the "Bonds"). The Bonds are being issued under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 (the "Bond Law"), and a resolution adopted by the City Council of the City on July 14, 2026 (the "Bond Resolution").

The City hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and to assist the Participating Underwriter in complying with the Rule.

Section 2. Definitions. In addition to the definitions set forth above, in the Bond Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than April 1 after the end of each fiscal year of the City (currently June 30th).

"*Dissemination Agent*" means Applied Best Practices, or any other Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

"*Official Statement*" means the final official statement executed by the City in connection with the issuance of the Bonds.

"*Participating Underwriter*" means the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing April 1, 2027 with the report for the 2025-26 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. Not later than 15 Business Days prior to the Annual Report Date, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the City) has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the City's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b). The City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the City hereunder.

(b) If the City does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the City shall, in a timely manner, provide (or cause the Dissemination Agent to provide) a notice of late filing to the MSRB, in an electronic format, as prescribed by the MSRB.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the City, file a report with the City certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The City's audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, financial information and operating data with respect to the City for the preceding fiscal year, substantially similar to that provided in the Official Statement:

(i) Assessed value of taxable property within the City;

(ii) Top ten property tax assessees for current fiscal year, and their respective secured property assessed values, but only if the City's general obligation bond collections are not included on the County's Teeter Plan;

(iii) property tax levies, collections and delinquencies, but only if the City's general obligation bond collections are not included on the County's Teeter Plan; and

(iv) Amount of all general obligation debt of the City outstanding, and total scheduled debt service on such general obligation debt.

(c) In addition to any of the information expressly required to be provided under this Disclosure Certificate, the City shall provide such further material information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies.
(2) Non-payment related defaults, if material.
(3) Unscheduled draws on debt service reserves reflecting financial difficulties.
(4) Unscheduled draws on credit enhancements reflecting financial difficulties.
(5) Substitution of credit or liquidity providers, or their failure to perform.
(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
(7) Modifications to rights of security holders, if material.
(8) Bond calls, if material, and tender offers.
(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.
(11) Rating changes.
(12) Bankruptcy, insolvency, receivership or similar event of the City.
(13) The consummation of a merger, consolidation, or acquisition involving the City, or the sale of all or substantially all of the assets of the City (other than in the ordinary course of business), the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.
(15) Incurrence of a financial obligation of the City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the City, any of which affect security holders, if material.
(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City, any of which reflect financial difficulties.

(b) Whenever the City obtains knowledge of the occurrence of a Listed Event, the City shall, or shall cause the Dissemination Agent (if not the City) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of a Listed Event described in subsection (a)(8) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Bonds under the Bond Resolution.

(c) The City acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14), and (a)(15) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The City shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the City.

(e) For purposes of Section 5(a)(15) and (16), "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b).

Section 8. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the City.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the City has received an opinion of counsel knowledgeable in federal securities laws to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the City fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have no duty or obligation to review any information provided to it by the City hereunder, and shall not be deemed to be acting in any fiduciary capacity for the City, the Bond holders or any other party. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be regarded as an original, and all of which shall constitute one and the same instrument.

Date: ______________, 2026

CITY OF SAN BRUNO

By: ________________________________
City Manager

APPENDIX E

DTC AND THE BOOK-ENTRY ONLY SYSTEM

The following description of the Depository Trust Company ("DTC"), the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, interest and other payments on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfer of beneficial ownership interest in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC. Accordingly, no representations can be made concerning these matters and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

Neither the City nor the Paying Agent take any responsibility for the information contained in this Section.

No assurances can be given that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or redemption premium, if any, with respect to the Bonds, (b) Bonds representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis, or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Appendix. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to

those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from City or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of City or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to City or Paying Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

10. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that City believes to be reliable, but City takes no responsibility for the accuracy thereof.