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THE SAN BRUNO COMMUNITY FOUNDATION

Financial Statements and Report of Independent Auditors

For the year ended June 30, 2026 with comparative totals as of and for the year ended June 30, 2025

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CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

To the Board of Directors of
The San Bruno Community Foundation:

Opinion

We have audited the accompanying financial statements of The San Bruno Community Foundation, which comprise the statement of financial position as of June 30, 2026, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The San Bruno Community Foundation as of June 30, 2026, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The San Bruno Community Foundation 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 opinion.

Responsibilities of Management for the Financial Statements

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

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 San Bruno Community Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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, including omissions, 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 generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The San Bruno Community Foundation'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 San Bruno Community Foundation'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.

Report on Summarized Comparative Information

We have previously audited The San Bruno Community Foundation's financial statements for the year ended June 30, 2025, and our report dated October 27, 2025, expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.



Petaluma, California
October 20, 2026

THE SAN BRUNO COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION
June 30, 2026
with comparative totals as of June 30, 2025

ASSETS

	2026	2025
Cash and cash equivalents	$ 214,154	$ 19,941
Investments (See Note 4)	32,954,348	31,937,024
Right-of-use asset - office lease	58,062	73,544
Prepaid expenses	14,065	11,435
Deposits	909	909
Total assets	$ 33,241,538	$ 32,042,853

LIABILITIES

Accounts payable	$ 29,322	$ 32,369
Office lease payable	58,316	73,874
Accrued scholarships	172,500	330,000
Accrued grants payable	7,545,526	6,381,784
Total liabilities	7,805,664	6,818,027

NET ASSETS

Without donor restriction		
Board designated	2,170,229	49
Non-designated	23,265,645	25,224,777
Total net assets	25,435,874	25,224,826
Total liabilities and net assets	$ 33,241,538	$ 32,042,853

see accompanying notes

THE SAN BRUNO COMMUNITY FOUNDATION

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

For the year ended June 30, 2026

with comparative totals for the year ended June 30, 2025

	2026			2025
	Without donor restrictions	With donor restrictions	Total	Total
REVENUE AND OTHER SUPPORT				
Donations	$ 110,940	$ -	$ 110,940	$ 107,298
Investment return, net	2,592,319	-	2,592,319	3,018,443
	2,703,259	-	2,703,259	3,125,741
EXPENSES				
Program services	2,320,652	-	2,320,652	6,633,254
Management and general	171,559	-	171,559	181,927
	2,492,211	-	2,492,211	6,815,181
CHANGE IN NET ASSETS	211,048	-	211,048	(3,689,440)
NET ASSETS AT BEGINNING OF YEAR	25,224,826	-	25,224,826	28,914,266
NET ASSETS AT END OF YEAR	$ 25,435,874	$ -	$ 25,435,874	$ 25,224,826

see accompanying notes

THE SAN BRUNO COMMUNITY FOUNDATION

STATEMENT OF FUNCTIONAL EXPENSES

For the year ended June 30, 2026

with comparative totals for the year ended June 30, 2025

	Program Services	Management and General	Total	2025 Total
PERSONNEL EXPENSES				
Salaries and wages	$ 150,107	$ 76,100	$ 226,207	$ 257,524
Payroll taxes and benefits	25,779	14,948	40,727	38,306
Total personnel expenses	175,886	91,048	266,934	295,830
OTHER EXPENSES				
Scholarships	-	-	-	165,000
Grants	2,112,400	-	2,112,400	6,210,200
Rent	10,292	5,191	15,483	17,020
Insurance	-	12,300	12,300	15,189
Telecommunications	1,147	584	1,731	2,417
Postage and shipping	1,972	1,005	2,977	2,790
Marketing and communications	8,042	4,100	12,142	15,242
Office supplies	947	483	1,430	3,904
Legal fees	9,966	20,374	30,340	42,415
Accounting and payroll fees	-	30,042	30,042	32,784
Other professional services	-	472	472	8,022
Travel, meetings and conferences	-	4,405	4,405	2,506
Miscellaneous	-	1,555	1,555	1,862
Total other expenses	2,144,766	80,511	2,225,277	6,519,351
TOTAL EXPENSES	$ 2,320,652	$ 171,559	$ 2,492,211	$ 6,815,181

see accompanying notes

THE SAN BRUNO COMMUNITY FOUNDATION

STATEMENT OF CASH FLOWS

For the year ended June 30, 2026

with comparative totals for the year ended June 30, 2025

	2026	2025
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	$ 211,048	$ (3,689,440)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized/unrealized gain on investments	(1,343,456)	(2,097,203)
(Increase) decrease in assets:		
Prepaid expenses	(2,630)	3,311
Right-of-use asset - office lease	15,482	16,975
Increase (decrease) in liabilities:		
Accounts payable	(3,047)	9,088
Accrued scholarships	(157,500)	(2,500)
Accrued grants payable	1,163,742	5,064,790
Office lease payable	(15,558)	(16,645)
Net cash used in operating activities	(131,919)	(711,624)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net sales of securities	326,132	495,665
Net change in cash and cash equivalents	194,213	(215,959)
Cash and cash equivalents at beginning of year	19,941	235,900
Cash and cash equivalents at end of year	$ 214,154	$ 19,941
SUPPLEMENTAL DISCLOSURES OF NONCASH FLOW INFORMATION		
Increase in right-of-use asset - office lease and office lease payable	$ -	$ 77,415

see accompanying notes

1. Organization

The San Bruno Community Foundation (the "Foundation"), a California nonprofit corporation, 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 ("IRC"). Pursuant to the settlement agreement dated March 12, 2012, between Pacific Gas & Electric Company ("PG&E") and the City of San Bruno (the "City"), both parties agreed to resolve and settle all claims arising out of the September 9, 2010 pipeline incident (the "Settlement Agreement"). 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 and building community partnerships.

The Foundation's goals serve the San Bruno community by investing in projects, programs, services, and facilities that have significant and lasting benefits. Through making grants, leveraging partnerships, and taking advantage of other resources, the Foundation assists and enables the community to maximize shared investments and realize their subsequent enhancements and benefits.

2. Summary of significant accounting policies

Basis of accounting
The Foundation prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America. The Foundation's year end for tax and financial reporting purposes is June 30.

Basis of presentation
The Foundation is required to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without donor restrictions:
Net assets available for use in general operations and not subject to donor restrictions. The Foundation's governing board has designated, from net assets without donor restriction, long-term funds held in the quasi-endowment pool.

Net assets with donor restrictions:
Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature, which will be met by actions of the Foundation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Prior period comparison
The financial statements include certain prior-period summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2025, from which the summarized information was derived.

Estimates
The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Summary of significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition. As of June 30, 2026 and 2025, cash and cash equivalents consist of the following:

	2026	2025
Cash - operating	$ 213,216	$ 18,997
Liquidity fund cash	938	944
Total cash and cash equivalents	$ 214,154	$ 19,941

Concentration of credit risk
Financial instruments that potentially subject the Foundation to concentrations of credit risk consist principally of temporary cash investments. The Foundation places its temporary cash investments with high credit quality financial institutions and, by policy, limits the amount of credit exposed to any one financial institution. The Foundation has not experienced any losses in such accounts.

Investments
The Foundation carries investments in various investment pools with readily determinable fair values and all investments are stated at their fair values in the Statement of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statement of Activities and Changes in Net Assets.

Accounts receivable
Management considers receivables to be fully collectible. If amounts become uncollectible, they are charged to operations in the period in which that determination is made. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Fair value measurements
The Foundation applies the accounting provisions related to fair value measurements. These provisions define fair value 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, establish a hierarchy that prioritizes the information used in developing fair value estimates and require disclosure of fair value measurements by level within the fair value hierarchy. The hierarchy gives the highest priority to quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable data (Level 3 measurements), such as the reporting entity's own data. These provisions also provide valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flows) and the cost approach (cost to replace the service capacity of an asset or replacement cost).

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of valuation hierarchy are defined as follows:

Level 1: Observable inputs such as quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2: Inputs other than quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3: Unobservable inputs that reflect the Foundation's own assumptions.

2. Summary of significant accounting policies (continued)

Income taxes

The Foundation is a not-for-profit corporation under Section 501(c)(3) of the IRC and Section 23701(d) of the California Revenue and Taxation Code and therefore, is generally exempt from both federal and state income taxes, except on net income derived from unrelated business activities.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires the Foundation to report information regarding its exposure to various tax positions taken. Management has determined whether any tax positions have met the recognition threshold and has measured its exposure to those tax positions. Management believes that the Foundation has adequately addressed all relevant tax positions and that there are no unrecorded tax liabilities. Federal tax authorities generally have the right to examine and audit the previous three years of tax returns filed. California tax authorities generally have the right to examine and audit the previous four years of tax returns filed. Any interest or penalties assessed to the Foundation are recorded in operating expenses. No interest or penalties from federal or state tax authorities were recorded in the accompanying financial statements.

Scholarships expense

The Foundation has offered three types of scholarships for the members of the San Bruno community, which are defined as follows:

1. $5,000 each year for four years, totaling $20,000, for a high school student to attend a 4-year college.
2. $2,500 each year for two years, totaling $5,000, for a high school student to attend a 2-year community college.
3. $5,000 each year for two years, totaling $10,000, for a community college student who transfers to a 4-year college.

Scholarships are recognized when they have been awarded. Recipients are required to renew their scholarships for each year by submitting proof of full-time enrollment for the following fall and certification of status as a student in good standing, by June 1 of each year. For the years ended June 30, 2026 and 2025, scholarship expense was $0 and $165,000, respectively. As of June 30, 2026 and 2025, accrued scholarships payable was $172,500 and $330,000, respectively.

Grant expense

Grants are recognized when they are approved by the board, all significant conditions are met, all due diligence has been completed, and grant agreements have been executed. Grant refunds are recorded as a reduction of grant expense if the refund or notice of refund is received in the same fiscal year as the grant was expensed. For the years ended June 30, 2026 and 2025, grant expense was $2,112,400 and $6,210,200, respectively. As of June 30, 2026, accrued grants payable included $2,065,126 payable toward the startup programming at the San Bruno Recreation and Aquatic Center, $5,352,400 payable toward the Crestmoor Fields Project, and $100,000 payable towards the San Bruno Outdoor Education Program. As of June 30, 2025, accrued grants payable included $2,509,364 payable toward the construction of and startup programming at the San Bruno Recreation and Aquatic Center, and $3,400,000 payable toward the Crestmoor Fields Project. As of June 30, 2026 and 2025, accrued grants payable was $7,545,526 and $6,381,784, respectively.

Functional allocation of expenses

The Statement of Functional Expenses reports expenses by both natural and functional classification. Certain categories of expenses are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Costs are directly applied to the related program or supporting service category when identifiable and possible. Other expenses have been allocated to programs and management and general based on estimates of time and effort.

2. Summary of significant accounting policies (continued)

Leases
The Foundation determines if an arrangement is a lease at inception. An arrangement is a lease if the arrangement conveys a right to direct the use of and to obtain substantially all of the economic benefits from the use of an asset for a period of time in exchange for consideration.

Operating lease right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The Foundation uses a risk-free rate at the commencement date in determining the present value of lease payments.

The operating lease right-of-use assets also include any lease payments made and exclude lease incentives. The lease terms may include options to extend or terminate the leases when it is reasonably certain that the Foundation will exercise that option. The lease agreements do not contain any material residual value guarantees or material restrictive covenants. Lease expense for lease payments is recognized on a straight-line basis over the lease terms.

The office space lease agreement with San Bruno Office Associates, LLC includes monthly predetermined rental payments. Lease liabilities are not remeasured throughout the life of the lease since all predetermined changes in the monthly rent payments have already been considered in the lease liability calculation.

Subsequent events
Subsequent events have been evaluated through October 20, 2026, which is the date the financial statements were available to be issued, and there are no subsequent events requiring disclosure.

3. Liquidity and availability of financial assets

The following represents the Foundation's financial assets as of June 30:

Financial assets at year end:	2026	2025
Cash and cash equivalents	$ 214,154	$ 19,941
Investments	32,954,348	31,937,024
Total financial assets	33,168,502	31,956,965
Less amounts not available due to:		
Board designated quasi-endowment fund	2,170,229	49
Grants payable	7,545,526	6,381,784
Scholarships payable	172,500	330,000
	9,888,255	6,711,833
Financial assets available to meet general expenditures over the next twelve months	$ 23,280,247	$ 25,245,132

The Foundation's goal is generally to maintain financial assets to meet its operating and budgeted needs. As part of its liquidity plan, excess cash is invested in short-term investments, including mutual funds.

4. Investments

The following tables present the Foundation's assets that are measured and recognized at fair value on a recurring basis classified under the appropriate level of the fair value hierarchy as of June 30, 2026 and 2025:

	June 30, 2026			
	Level 1	Level 2	Level 3	Fair Value Measurements
Assets				
Liquidity pool				
Mutual funds	$ 260,110	$ -	$ -	$ 260,110
Exchange traded products and ETFs	1,497,272	-	-	1,497,272
Total liquidity pool	1,757,382	-	-	1,757,382
Strategic pool				
Cash reserves	11,271	-	-	11,271
Mutual funds	15,592,480	-	-	15,592,480
Exchange traded products and ETFs	13,422,986	-	-	13,422,986
Total strategic pool	29,026,737	-	-	29,026,737
Quasi-endowment pool				
Cash reserves	14,689	-	-	14,689
Mutual funds	517,721	-	-	517,721
Exchange traded products and ETFs	1,637,819	-	-	1,637,819
Total quasi-endowment pool	2,170,229	-	-	2,170,229
Total assets	$ 32,954,348	$ -	$ -	$ 32,954,348

	June 30, 2025			
	Level 1	Level 2	Level 3	Fair Value Measurements
Assets				
Liquidity pool				
Mutual funds	$ 195,105	$ -	$ -	$ 195,105
Exchange traded products and ETFs	553,662	-	-	553,662
Total liquidity pool	748,767	-	-	748,767
Strategic pool				
Cash reserves	45,458	-	-	45,458
Mutual funds	16,689,664	-	-	16,689,664
Exchange traded products and ETFs	14,453,086	-	-	14,453,086
Total strategic pool	31,188,208	-	-	31,188,208
Quasi-endowment pool				
Cash reserves	49	-	-	49
Total quasi-endowment pool	49	-	-	49
Total assets	$ 31,937,024	$ -	$ -	$ 31,937,024

4. Investments (continued)

The Foundation's investments had the following cost basis when originally acquired:

	2026	2025
Liquidity pool	$ 1,496,710	$ 548,733
Strategic pool	26,273,859	29,138,282
Quasi-endowment pool	2,005,813	-
Total securities	$ 29,776,382	$ 29,687,015

5. Office lease

The Foundation has an office lease with San Bruno Office Associates, LLC, which was amended effective April 1, 2025 to extend the lease to March 31, 2030. Initial monthly payments are $1,161 and increase annually at a rate of 3% on April 1 of each year. For the years ended June 30, 2026 and 2025, rent expense was $15,483 and $17,020, respectively. As of June 30, 2026, right-of-use asset – office lease and office lease payable were $58,062 and $58,316, respectively. As of June 30, 2025, right-of-use asset – office lease and office lease payable were $73,544 and $73,874, respectively.

Future office rent payment requirements over the next four years are as follows:

Year ending June 30,	
2027	$ 13,736
2028	15,638
2029	16,317
2030	12,625
Lease payable	$ 58,316

6. Employee benefit plan

Effective January 1, 2015, the Foundation established a tax-deferred annuity plan qualified under Section 403(b) of the IRC for its employees. The Foundation makes minimum nonelective contributions equal to 5% of the gross salary for eligible individual employees. For the years ended June 30, 2026 and 2025, $21,821 and $15,456, respectively, was contributed by the Foundation on behalf of its employees.