

SAN BRUNO MOUNTAIN HABITAT CONSERVATION PLAN TRUST

Trustees

Mike Callagy, County Executive – County of San Mateo
Jeremy Dennis, City Manager – City of Brisbane
Thomas Piccolotti, City Manager – City of Daly City
Laura Snideman, City Manager – City of South San Francisco

Date: Thursday, May 28, 2026

Time: 10:00 am to 11:00 am

Location:

In-person attendance: Boards and Commissions Meeting Room, 1st Floor of 400
County Center (Hall of Justice).

Virtual attendance: *No virtual attendance option available.*

*Written public comments may be emailed to parksandrecreation@smcgov.org, and such written comments should indicate the specific agenda item on which you are commenting. *Spoken public comments will be accepted during the meeting in person or remotely through MS Teams at the option of the speaker. Public comments via MS Teams will be taken first, followed by speakers in person.

Meeting Agenda

Pledge of Allegiance

Roll Call

Public Comment

Action to Set the Agenda and Approve the Consent Agenda Items

Regular Agenda

1. Report Backs
 - a. Update on HCP Amendment
 - b. Updates on Grant-funded Project Activities

2. Approve the San Bruno Mountain HCP Budget
 - a. Review and Update Planned Expenditures for Habitat Conservation Activities within the San Bruno Mountain Habitat Conservation Plan area for FY 2026-27

3. Review of FY 2025-26 Annual Activities Highlights **

4. Upcoming & Recent Meetings
 - a. Natural Resource Coordination – Quarterly
 - b. Trustees Meeting – May/June 2027

Consent Agenda

1. Approve the June 30, 2025 Meeting Minutes

2. Approve the San Bruno Mountain Habitat Conservation Plan Trust Fund's Annual Audit for FY 2024-25

*Instructions for Public Comment During Meetings

**PowerPoint presentation

During meetings of the Board of Trustees, members of the public may address the Members of the Board of Trustees as follows:

***Spoken Comments:**

Spoken public comments will be accepted during the meeting in person at the option of the speaker. If you wish to speak to the Trustees, please fill out a speaker's slip located near the conference room door. If you have anything that you wish distributed to the Trustees and included in the official record, please hand it to the staff person for the Parks Department who will distribute the information to the Trustees members and staff.

***Written Comments:**

Written public comments may be emailed in advance of the meeting. Please read the following instructions carefully:

1. Your written comment should be emailed to parksandrecreation@smcgov.org.
2. Your email should include the specific agenda item on which you are commenting or note that your comment concerns an item that is not on the agenda or is on the consent agenda.
3. Members of the public are limited to one comment per agenda item.
4. The length of the emailed comment should be commensurate with the two minutes customarily allowed for verbal comments, which is approximately 250-300 words.
5. If your e-mailed comment is received by 5:00 p.m. on the day before the meeting, it will be provided to the Members of the Board of Trustees and made publicly available on the agenda website under the specific item to which your comment pertains. If e mailed comments are received after 5:00p.m. on the day before the meeting, we will make every effort to either (i) provide such e-mailed comments to the Board of Trustees and make such e mails publicly available on the agenda website prior to the meeting, or (ii) read such emails during the meeting. Whether such emailed comments are forwarded and posted, or are read during the meeting, they will still be included in the administrative record.

**San Bruno Mountain
Habitat Conservation Plan**

	Budget	Actuals thru 4/30/26	Budget	Change
	2025-26	2025-26	2026-27	
Interest				
HCP Fund Interest	\$ 30,000	\$ 25,148	\$ 30,000	\$ -
Endowment Fund Interest	\$ 45,000	\$ -	\$ 45,000	\$ -
Total Interest Revenue	\$ 75,000	\$ 25,148	\$ 75,000	\$ -
Revenue From HCP Fees	\$ 276,860	\$ 167,397	\$ 278,245	\$ 1,385
PCA MTC Grant	\$ 50,000		\$ 50,000	\$ -
McKesson Property Revenue				\$ -
				\$ -
Total Revenue	\$ 401,860	\$ 192,545	\$ 403,245	\$ 1,385
Fund Balance	\$ 835,534	\$ 835,534	\$ 866,571	\$ 31,038
TOTAL AVAILABLE FUNDS	\$ 1,237,394	\$ 1,028,078	\$ 1,269,816	\$ 32,423
EXPENDITURES				
HCP Biological Monitoring Contracts	\$ 15,000	\$ -	\$ -	\$ (15,000)
HCP Seed Collection	\$ -	\$ -	\$ 25,000	\$ 25,000
Grazing Management HCP Trust Funds	\$ 250,800	\$ -	\$ 250,800	\$ -
HCP Vegetation Management Contracts	\$ 200,000	\$ 80,804	\$ 200,000	\$ -
Emergency Response Funds	\$ 15,000	\$ -	\$ 5,000	\$ (10,000)
Fuel Reduction	\$ 69,511	\$ -	\$ 69,511	\$ -
Other Contracts	\$ 4,000	\$ -	\$ 4,000	\$ -
Total HCP Contracts	\$ 554,311	\$ 80,804	\$ 554,311	\$ -
Grant/Restricted				
McKesson Property Restoration	\$ 100,000	\$ 15,163	\$ 100,000	\$ -
PG&E Battery Road 59 Restoration	\$ 7,445	\$ -	\$ 7,445	\$ -
Grazing Management PCA MTC Grant Funds	\$ 50,000	\$ 15,000	\$ 50,000	\$ -
Total Grant/Restricted	\$ 157,445	\$ 30,163	\$ 157,445	\$ -
County Support				
County Staff HCP Administration	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
County Staff Contract Management	\$ 15,000	\$ 15,000	\$ 15,000	\$ -
County Staff (Administrative Support)	\$ 7,500	\$ 7,500	\$ 7,500	\$ -
NRM Park Aide	\$ 32,000	\$ -	\$ 32,000	\$ -
Total County Support	\$ 74,500	\$ 42,500	\$ 74,500	\$ -
Other Charges				
Auditing Contract	\$ 6,400	\$ 6,400	\$ 6,800	\$ 400
Property Tax	\$ 25,000	\$ 1,640	\$ 25,000	\$ -
Total Other Charges	\$ 31,400	\$ 8,040	\$ 31,800	\$ 400
Total Expenditures	\$ 817,656	\$ 161,507	\$ 818,056	\$ 400
Year-End Fund Balance for HCP Funds	\$ 116,670	\$ 477,812	\$ 248,692	\$ 132,023
Year-End Fund Balance for PG&E Battery Road 59 Restoration	\$ -	\$ 7,445	\$ -	\$ -
Year-End Fund Balance for McKesson Property Improvements (Starting FY17/18)	\$ 303,068	\$ 381,315	\$ 203,068	\$ (100,000)
Total Year-End Fund Balance	\$ 419,738	\$ 866,571	\$ 451,760	\$ 32,023

San Bruno Mountain Habitat Conservation Plan Trust

Meeting Minutes

June 30, 2025

The meeting convened at 2:00 p.m. virtually and in person at COB 101, 1st floor in 455 County Center.

TRUSTEES PRESENT: Christina Fernandez (City of Brisbane, standing in for Jeremy Dennis), Sharon Ranals (City of South San Francisco), Mike Callagy (County of San Mateo)

TRUSTEES ABSENT: Thomas Piccolotti (City of Daly City)

STAFF PRESENT: Evan Cole (SMCP), Emma Kroencke (SMCP), Brett Jones (fiscal auditor), Austin Lam (SMCP)

1) Public Comment

No public comments at this time.

2) Action to Set the Agenda and Approve the Consent Agenda Items

Consent agenda included minutes from June 2024 meeting and FY2023-24 Audit.

Action: Motion/Second Callagy/Ranals to set the agenda and approve the consented agenda items.

Motion carried 3-0.

3) Report Backs

a) Update on HCP Amendment

- Evan Cole provided an update on the amendment being facilitated by the city of Brisbane, for the developer looking to redevelop the quarry at San Bruno Mountain. The EIR has been put out for comment, though responses are still pending. County has been involved in conversations as habitat manager to facilitate amendment and review items - USFWS and Parks will strictly operate in a review capacity.
 - Callagy – any contemplations to fee structure? Evan noted that there have been conversations for a higher fee agenda, for County Parks to receive and regarding dedicated lands that will be a part of the amendment as mitigation, though nothing has been concluded yet.

b) Updates on Grant-funded Project Activities

- Only currently active grant is from the Metropolitan Transportation Commission for the conservation grazing pilot program
 - o So far: \$15,000 has been spent for the grazing strategy, which is completed and publicly online
 - o Remaining funds are to be used for infrastructure, installation, and other associated tasks, such as engineering and remaining CEQA items (ISMND/EIR). The previous ISMND for the HCP only covered cattle and not the impacts from infrastructure installation, so another will be necessary though infrastructure plans will need to be finalized before the process can begin.

No action required for this item.

No public comment for this item.

4) Review and Approval of San Bruno Mountain HCP Budget

a) Review and Update of Planned Expenditures for Habitat Conservation Activities within the San Bruno Mountain Habitat Conservation Plan area for FY 2025-26

- Unrestricted fund balance has decreased in order to spend down balance more aggressively, as requested by Trustees a few years back
 - o Larger-scale habitat restoration projects have been implemented in recent years as a result
- Vegetation management budget has increased, due to increased staffing capacity with Parks to implement more shaded fuel break projects.
- This year will also see increased efforts to obtain fees from property owners.

Action: Motion/Second Ranals/Callagy to approve the budget.

Motion carried 3-0.

5) Review of FY 2024-25 Annual Activities Highlights

- Vegetation management: 509 total acres treated for this FY - primarily oxalis, coyote brush, and fennel. There also has been a pushback of native scrub that threatens grasslands. Hand tools were used to avoid impacts to butterflies and their habitat, while mechanical mastication was used in more dense areas to remove larger swathes of scrub, with a focus on habitat that has seen more significant reductions in butterfly populations.

- Butterfly monitoring: Mission Blue surveys were completed in 2025, Callippe Silverspot and San Bruno Elfin surveys in 2024. Annual reports released every year – 2024 report to be published in the next month.
- Mission Blue translocations: occur annually in partnership with the National Parks Service and USFWS to translocate butterflies to Milagra and Sweeney Ridge.
 - Ranals: asked about Twin Peaks translocations. Evan noted that this has occurred in the past, but haven't been completed in the past few years.
- SFPUC genetics study: Staff from SFPUC came out to collect Mission Blue butterflies and use wing clippings to conduct genetic studies and see how populations at San Bruno Mountain, the SFPUC watershed and NPS lands may differ. Overarching goal of study is to learn how to better improve population management and metapopulation preservation.
- Bay Checkerspot reintroduction: finished with reintroductions and have switched gears to monitoring.
- Rare and endangered plant species restoration: Restoration has been performed keeping in mind the many other rare species on the mountain besides from butterfly host plants – ex: restoring endangered manzanita with help from San Bruno Mountain Watch as mitigation for PG&E impacts.
- Ridge fire: Occurred on July 2, 2024. Parks' contractor stabilized site to reduce sediment runoff and stabilize any seeds in the burn scar. Site visit on March 2025 revealed a notable increase in viola (Callippe Silverspot host plant) and other native plants coming back.
 - Callagy: commented that fire seemed to help restore the habitat. Evan explained that fire is an important means of disturbance on the mountain – historically natives would burn the land to regenerate, and later settlers' cattle would disturb the landscape and manage the thatch build-up. Such purposeful disturbance ceased after acquisition of the mountain. Parks has not ruled out the introduction of prescribed burning, but implementation would face various roadblocks (SFO flight path overhead, high risk due to surrounding urban setting). Evan noted that grazing will hopefully obtain similar results but in a more manageable manner.
 - Ranals: At Sign Hill, South SF's Parks and Fire departments are looking seriously at conducting a controlled burn.
- Bog Trail habitat restoration: Parks contractor removed eucalyptus, cotoneaster, and other species that have been crowded out natives in the riparian zone.
- Fuel reduction update: shaded fuel break at Crocker Gate to be completed in coming months.
- Grazing update: grazing strategy and monitoring plan have been completed. Next steps include infrastructure planning, grazer selection, and continued public outreach. Parks attended a conference last fall advertising program to grazers, also plan to solicit through grazing communities and follow up with field meetings to confirm interest and determine best course of action between licensing or leasing the land.

- Partnership with Signatory Cities: Parks would like to have a dedicated conversation with City Managers in coming months to retroactively establish agreements regarding roles and responsibilities for dedicated lands. Parks Department has been accepting parcels but is not set up as a public works department to manage drainage ditches or other infrastructure. Conversation could also be used to talk about cooperation for the grazing project (eg water tie-ins) – though Parks is managing the project, it is ultimately an HCP project and would require efforts from other signatories.
- Comments:
 - Ranals: noted that a Parks presentation to councils might be good, to help them better understand what they're doing and how the HCP budget is being used.
 - Fernandez: noted that HOA will be having a meeting in July to decide if they will forgo the maintenance of the ditches at Toll Brothers property. Also asked who to contact in terms of coordinating emergency response and preparedness for incidents that occur on the mountain. Callagy advised to reach out to the head of the Department of Emergency Management, Evan stated he can also put her in contact with rangers of San Bruno Mountain.

No action required for this update.

6) Upcoming & Recent Meetings

a) Natural Resource Coordination – Quarterly

i) Next meeting in early August.

b) Trustees Meeting – June 2026

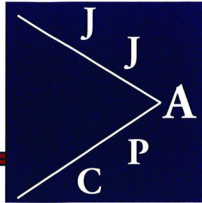
Action: Motion/Second Callagy/Fernandez to adjourn the meeting.

Motion carried 3-0.

SAN BRUNO MOUNTAIN HABITAT CONSERVATION PLAN TRUST FUND

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS**

JUNE 30, 2025



JJACPA, Inc.

A Professional Accounting Services Corp.

April 21, 2026

To the Trustees of the
San Bruno Mountain Habitat Conservation Plan Trust Fund

We have audited the basic financial statements of the San Bruno Mountain Habitat Conservation Plan Trust Fund (Trust Fund) as of and for the year ended June 30, 2025 and have issued our report thereon dated April 21, 2026. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our engagement letter dated December 8, 2025, our responsibility, as described by professional standards, is to plan and perform our audit to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Trust Fund solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the Trust Fund's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Trust Fund is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the year ended June 30, 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Trust Fund's financial statements relate to contingencies and subsequent events.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Trust Fund's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 21, 2026.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Findings or Issues

In the normal course of our professional association with the Trust Fund, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Trust Fund's auditors.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements of the Trust Fund as of and for the year ended June 30, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Trust Fund's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust Fund's internal control.

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

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

This report is intended solely for the information and use of the Trustees and management of the Trust Fund and is not intended to be and should not be used by anyone other than these specified parties.

April 21, 2026

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA

April 21, 2026

JJACPA, Inc.

7080 Donlon Way, Suite 204

Dublin CA, 94568

This representation letter is provided in connection with your audit(s) of the financial statements of San Bruno Mountain Habitat Conservation Plan Trust Fund ("Trust Fund"), which comprise the respective financial position of the governmental activities and the major fund as of June 30, 2025, and the respective changes in financial position for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered to be material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of April 21, 2026, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated December 8, 2025, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility 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.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.
- 8) We identified no unrecorded misstatements in the financial statements.

- 9) The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the Trust Fund is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters [and all audit or relevant monitoring reports, if any, received from funding sources].
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the Trust Fund from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the Trust Fund or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the Trust Fund and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the Trust Fund's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 18) We have disclosed to you the names of the Trust Fund's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

- 19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- 20) We have identified to you any previous audits, attestation engagements, and other studies related to the objectives of the audit and whether related recommendations have been implemented.
- 21) We have identified to you any investigations or legal proceedings that have been initiated with respect to the period under audit.
- 22) The Trust Fund has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

- 23) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.
- 24) We have identified and disclosed to you all instances of identified and suspected fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we believe have a material effect on the financial statements.
- 25) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- 26) As part of your audit, you assisted with preparation of the financial statements and disclosures. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and disclosures.
- 27) The Trust Fund has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- 28) The Trust Fund has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- 29) The financial statements include all component units, appropriately present majority equity interests in legally separate organizations and joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- 30) The financial statements properly classify all funds and activities in accordance with GASBS No. 34 , as amended.
- 31) All funds that meet the quantitative criteria in GASBS Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- 32) Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned, and unassigned) are properly classified and, if applicable, approved.
- 33) Investments, derivative instrument transactions, and land and other real estate held by endowments are properly valued.
- 34) Provisions for uncollectible receivables have been properly identified and recorded.
- 35) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 36) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 37) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 38) Deposits and investment securities and derivative instrument transactions are properly classified as to risk and are properly disclosed.
- 39) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.

- 40) We have appropriately disclosed the Trust Fund's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 41) We are following our established accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
- 42) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.

Signed by:

Rolando Jorquera

04/22/2026 | 5:36 PM PDT

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Rolando Jorquera, Financial Services Manager II

DocuSigned by:

Austin Lam

04/22/2026 | 5:37 PM PDT

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Austin Lam, Management Analyst

**SAN BRUNO MOUNTAIN HABITAT
CONSERVATION PLAN TRUST FUND**

BASIC FINANCIAL STATEMENTS

JUNE 30, 2025

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San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

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San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Appointed Officials

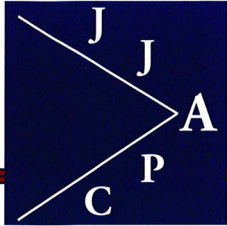
TRUSTEES

Thomas Piccolotti – City Manager, City of Daly City

Jeremy Dennis – City Manager, City of Brisbane

Sharon Ranals – City Manager, City of South San Francisco

Michael Callagy – County Executive Officer, County of San Mateo



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITORS' REPORT

To the Trustees of the
San Bruno Mountain Habitat Conservation Plan Trust Fund

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the major fund of San Bruno Mountain Habitat Conservation Plan Trust Fund (Trust), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Trust'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, and the major fund of the Trust, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund 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 Trust 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

The Trust's 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 Trust's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Trust'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 Trust'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 budgetary comparison information 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 GAAS, 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2026 on our consideration of the Trust'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 Trust's internal control over financial reporting and compliance.

April 21, 2026

JJACPA, Inc.
JJACPA, Inc
Dublin, CA

BASIC FINANCIAL STATEMENTS

San Bruno Mountain Habitat Conservation Plan Trust Fund

Statement of Net Position

June 30, 2025

	<u>2025</u>
ASSETS	
Current assets:	
Cash and investments	\$ 732,784
Accounts receivable:	
Accounts	100,641
Interest	8,309
Total assets	<u><u>\$ 841,734</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued liabilities	\$ 6,200
Total liabilities	<u>6,200</u>
NET POSITION	
Restricted for:	
McKesson property	396,478
Battery road restoration	7,445
Unrestricted	431,611
Total net position	<u><u>835,534</u></u>
Total liabilities and net position	<u><u>\$ 841,734</u></u>

The accompanying notes are an integral part of these basic financial statements.

San Bruno Mountain Habitat Conservation Plan Trust Fund

Statement of Activities

For the year ended June 30, 2025

	<u>2025</u>
OPERATING REVENUES:	
Other charges	\$ 284,114
Total operating revenues	<u>284,114</u>
OPERATING EXPENSES	
Professional fees	316,049
Special contract services	<u>52,660</u>
Total operating expenses	<u>368,709</u>
Operating income (loss)	<u>(84,595)</u>
NONOPERATING REVENUES (EXPENSES):	
Interest revenue	34,180
Grants	15,000
Taxes and assessments	<u>(23,376)</u>
Total nonoperating revenues (expenses)	<u>25,804</u>
Change in net position	(58,791)
NET POSITION (DEFICIT):	
Beginning of year	894,325
End of year	<u>\$ 835,534</u>

The accompanying notes are an integral part of these basic financial statements.

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FUND FINANCIAL STATEMENTS

San Bruno Mountain Habitat Conservation Plan Trust Fund

Balance Sheet

June 30, 2025

	<u>2025</u>
ASSETS	
Current assets:	
Cash and investments	\$ 732,784
Accounts receivable:	
Accounts	100,641
Interest	8,309
Total current assets	<u>841,734</u>
Total assets	<u>\$ 841,734</u>
LIABILITIES AND FUND BALANCES	
Current liabilities:	
Accounts payable and accrued liabilities	6,200
Total current liabilities	<u>6,200</u>
FUND BALANCE	
Restricted	403,923
Unassigned	431,611
Total fund balance	<u>835,534</u>
Total liabilities and fund balance	<u>\$ 841,734</u>
 Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	
Total fund balances - total governmental funds	\$ 835,534
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Deferred inflows are reported in governmental funds on the modified accrual basis and are recognized as revenue on the accrual basis in the government-wide statements.	<u>-</u>
Net position of governmental activities	<u>\$ 835,534</u>

The accompanying notes are an integral part of these basic financial statements.

San Bruno Mountain Habitat Conservation Plan Trust Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the year ended June 30, 2025

	<u>2025</u>
REVENUES:	
Other charges	\$ 284,114
Interest revenue	34,180
Grants	15,000
Total revenues	<u>333,294</u>
EXPENDITURES	
Professional fees	316,049
Special contract services	52,660
Taxes and assessments	23,376
Total expenditures	<u>392,085</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(58,791)</u>
Net Change in fund balance	(58,791)
FUND BALANCE (DEFICIT):	
Beginning of year	894,325
End of year	<u>\$ 835,534</u>
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	
Net change in fund balances - total governmental funds	\$ (58,791)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Some receivables are deferred in the governmental funds because the amounts do not represent current financial resources that are recognized under the accrual basis in the Statement of Activities.	<u>-</u>
Change in net position of governmental activities	<u>\$ (58,791)</u>

The accompanying notes are an integral part of these basic financial statements.

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San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The San Bruno Mountain Habitat Conservation Trust Fund (Trust Fund) was created to carry out the purpose and provisions of the San Bruno Mountain Habitat Conservation Plan (the HCP), which attempts to resolve the endangered species and development conflict. The HCP allows limited development of endangered species habitat in exchange for implementation of a long-term program, funded by development, to protect and enhance the remaining portions of the San Bruno Mountain as habitat for the Mission Blue Butterfly, Callippe Silverspot Butterfly, San Bruno Elfin, Bay Checkered Butterfly, and the San Francisco Garter Snake.

The HCP was adopted in 1983 and covers the entire area of San Bruno Mountain. The permit necessary to administer the HCP was issued by the U.S. Fish and Wildlife Service in 1983 and is in effect for thirty years. In 1983 the Trust Fund was also established by an agreement among the U.S. Fish and Wildlife Service (USFWS), the California Department of Fish and Game, the California Department of Parks and Recreation, the County of San Mateo, the City of South San Francisco, the City of Brisbane, the City of Daly City and certain land developers. The members of the Board of Trustees are the County Manager of the County of San Mateo and the City Managers of the cities of Brisbane, Daly City and South San Francisco.

In 2013 the County of San Mateo (County), as Plan Operator, extended the Section 10(a) ("Incidental Take") Permit with the USFWS for the existing HCP including all five approved amendments for another 30 years.

The Trust Fund is an entity separate from each participating entity and the Board of Trustees controls the operations of the Trust Fund. Funding is provided by developers during construction and permanent and ongoing funding is provided by the homeowners living within in the plan area since the adoption of the plan and continue to pay throughout the term of the plan. The Trust Fund is administered by the San Mateo County Parks Department.

The Trust Fund's financial transactions are accounted for in a Special Revenue Fund, as monies received by it are legally restricted to specific use. Trust Fund monies can only be expended for purposes authorized by the HCP agreement. Revenues received and expenditures incurred pertaining to the HCP amendment are accounted for in a separate fund maintained by the County.

San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e. the statement of net position and the statement of activities) and fund financial statements are presented for the Special Revenue Fund, a governmental fund, which accounts for all transactions of the Trust Fund. Under the current financial reporting model, governments are required to present government-wide and fund financial statements along with reconciliations between the two. See 'Measurement Focus, Basis of Accounting and Financial Statement Presentation' below.

The statement of activities presents a comparison between direct expenses and program revenues of the Trust Fund. *Direct expenses* are those that are specifically associated with the Trust Fund. *Program revenues* refer to grants, contributions and other revenues that meet the operational or capital requirements of the program. Any revenues not classified as program revenues represent *general revenues*.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Trust Fund considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Fee assessments and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Trust Fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

When both restricted and unrestricted resources are available for use, it is the Trust Fund's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents: Cash is pooled with other funds of the County to earn a higher rate of return than could be earned by investing the funds individually. The Trust Fund considers its equity in the County's investment pool to be cash equivalents.

San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Receivables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Revenues: Amounts reported as *program revenues* include 1) fees assessed to homeowners and developers for services provided, 2) operating contributions, and 3) capital grants and contributions, if applicable.

Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results based on subsequent events could differ from those estimates.

Budgetary Information

The Board of Trustees approves and adopts an annual operating budget, which can be amended by the Board throughout the year. The basis used to prepare the budget is the same as used to reflect actual revenues and expenditures. No supplemental appropriations were adopted for the year.

2. CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

Cash is pooled with other funds in the San Mateo County Investment Pool (County Pool), which is a governmental investment pool managed and directed by the elected San Mateo County Treasurer. The County Pool is not registered with the Securities and Exchange Commission. An oversight committee comprised of local government officials and various participants provide oversight to the management of the fund. The Trust Fund is a voluntary participant in the County Pool.

Cash and cash equivalents invested in the County Pool are reported at fair value in accordance with applicable governmental accounting standards. The fair value of these investments is determined based on valuation inputs consistent with established fair value measurement principles. Changes in fair value for the year are recognized as unrealized gains or losses and are included in investment earnings. Fair value information is provided by the County Treasurer.

Authorized Investments of the County Pool

The County Pool's Investment Policy and the California Government Code allow the County Pool to invest in the following, provided the credit ratings of the issuers are acceptable to the County Pool. The following also identifies certain requirements of the County Pool and California Government Code that address interest rate risk, credit risk, and concentrations of credit risk:

San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

2. CASH AND CASH EQUIVALENTS, Continued

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum % Allowed in Portfolio	Maximum % Investment in One Issuer
U.S. Treasury Obligations	7 years	-	100	100
Obligations of U.S. Agencies or government sponsored enterprises	7 years	-	100	40
Bankers' Acceptances	180 days	A1/P1	15	5
Collateralized time deposits within the state of California	1 year	-	15	5
Negotiable certificates of deposit	5 years	-	30	5
Commercial paper/Floating rate notes	270 days or less	A1/P1	40	5
Repurchase agreements	92 days	-	100	25
Corporate bonds and medium term notes	5 years	A	30	5
			Up to the current state	
Local Agency Investment Fund (LAIF)	-	-	limit	-
Shares of beneficial interest	-	-	10	5
Mortgage backed securities	5 years	A	20	5

County Pool: Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. State law and the San Mateo County's Investment Policy limit the County Pool investments in commercial paper to the rating of "A1" or better by Standards & Poor or "P1" or better by Moody's Investors Service. State law and the San Mateo County's Investment Policy also limit County Pool investments in corporate bonds to the rating of "A" or higher by both Standards & Poor's and Moody's Investors Service. No limits are placed on the U.S. government agency securities and U.S. Treasuries.

San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

2. CASH AND CASH EQUIVALENTS, Continued

At June 30, 2025, the County Pool was invested in the following securities:

Investment Type	Standard & Poor's Rating	%of Portfolio
Negotiable Certificates of Deposit		
Negotiable Certificates of Deposit	A1+	0.56%
Negotiable Certificates of Deposit	A1	2.73%
U.S. Government Securities		
U.S. Treasury Securities	AA+	30.43%
U.S. Instrumentalities	AAA	12.84%
U.S. Government Agency Securities		
Federal Home Loan Bank	AA+	14.55%
Federal Home Loan Mortgage Corporation	AA+	7.25%
Federal Farm Credit Bank	AA+	6.07%
Federal National Mortgage Association	AA+	4.95%
Corporate Bonds		
Corporate Bonds	AAA	0.86%
Corporate Bonds	AA+	0.28%
Corporate Bonds	AA	0.76%
Corporate Bonds	AA-	1.27%
Corporate Bonds	A+	2.78%
Corporate Bonds	A	2.96%
Corporate Bonds	A-	2.17%
Corporate Bonds	BBB+	0.46%
Asset Backed Securities	AAA	0.01%
Municipal Bonds	AA+	0.08%
Money Market Funds	AAA	1.50%
CalTrust Liquidity Fund	AAA	1.68%
California Asset Management Program	AAA	5.81%
Total		100.00%

San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

2. CASH AND CASH EQUIVALENTS, Continued

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. State law and the County Investment Policy restrict the County's investments in U.S. Treasury Obligations to 100% of its portfolio (100% per issuer); Obligations of U.S. Agencies or government sponsored enterprises to 100% (40% per issuer); banker's acceptance to 15% (5% per issuer); collateralized time deposits within the State to 15% (5% per issuer), negotiable certificates of deposit, corporate bonds and medium-term notes to 30% (5% per issuer); commercial paper to 40% (5% per issuer); repurchase agreements secured by U.S. Treasury or agency obligation to 100% (100% per issuer for U.S. Treasuries and 40% per issuer for agency obligations); shares of beneficial interest issued by diversified management companies as defined in Government Code section 53601 to 10% (5% per issuer); and mortgage backed securities to 20% (5% per issuer).

County Pool: Foreign Currency Risk

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair value of an investment or deposit. The County investment policy does not include specific provisions to address foreign currency risk as it does not hold foreign securities.

County Pool: Interest Rate Risk

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. The County manages its exposure to declines in fair value by limiting the weighted average maturity of its investment portfolio to five years or less in accordance with its investment policy. As of June 30, 2025, the County Pool had a weighted average maturity of 2.29 years.

San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

3. RECEIVABLES

Accounts Receivable

Accounts receivable represent amounts due from developers and homeowners for fees assessed during the year. For June 30, 2025, accounts receivable is as follows:

	<u>2025</u>
Accounts receivable	\$ 100,641
Interest receivable	8,309
Total Accounts Receivable	<u>\$ 108,950</u>

Interest Receivable

The interest receivable balance represents fourth quarter investment earnings due from the County Treasurer for each fiscal year ended.

In addition, the Trust Fund receives interest payments from an endowment held for the benefit of San Bruno Mountain. These payments will be received until the endowment is used for the purpose intended.

4. ACCOUNTS PAYABLE

Accounts payable comprises of amounts due for contracted services at fiscal year-end as follows:

	<u>2025</u>
Contract services	<u>\$ 6,200</u>
Accounts Payable	<u>\$ 6,200</u>

5. REVENUES

The Trust Fund's major sources of revenue are collections from homeowners, homeowner associations and developers for fees assessed per the HCP agreement. Contributions are deposited monthly, quarterly or annually, based on the agreements signed at the time construction began.

Other sources of revenue include the following: a) interest income received quarterly from the County Treasurer b) funds from developers, which represent reimbursements for costs associated with the HCP and incurred by the Trust Fund and c) additional contributions from individuals developing adjacent to HCP boundaries.

San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

6. FUND BALANCES/NET POSITION

Fund Balances consist of the following: Nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance consists of investments that will not convert to cash soon enough to affect the current period. Restricted fund balance consists of resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government.

Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by a formal action of the Trust Fund’s highest level of decision-making authority. Assigned fund balance consists of amounts where intent is expressed by the governing body itself or a body or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Unassigned fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications. Currently, the Trust Fund uses only the restricted and unassigned categories.

	<u>2025</u>
Restricted for:	
McKesson property	\$ 396,478
Battery road restoration	7,445
Unassigned	<u>431,611</u>
Total Fund Balance	<u>\$ 835,534</u>

- *McKesson property*: Represents amounts set aside for the maintenance of McKesson property.
- *Battery Road restoration*: Represents amounts set aside for PG&E Battery Road 59 restoration.

Net position consists of restricted and unrestricted amounts. Restricted amounts reflect balances which cannot be influenced by Governing Board action. Unrestricted amounts reflect balances available for current operations.

	<u>Net Position</u>
Restricted for:	
McKesson property	\$ 396,478
Battery road restoration	7,445
Unrestricted	<u>431,611</u>
Total	<u>\$ 835,534</u>

Restricted balances are for the same purposes as fund balance restrictions because external restriction requirements are the same. See descriptions of the restrictions above.

San Bruno Mountain Habitat Conservation Plan Trust Fund
Basic Financial Statements
For the year ended June 30, 2025

Notes to Basic Financial Statements

7. RISK MANAGEMENT

As per the Agreement, the County added the Trust Fund to its excess liability insurance coverage. The existing insurance coverage is current as of the issuance of this report. County Counsel provides legal representation for any claims or litigation of the Trust Fund at no charge.

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REQUIRED SUPPLEMENTARY INFORMATION

San Bruno Mountain Habitat Conservation Plan Trust Fund

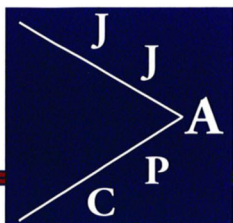
Statement of Revenues, Expenditures, and Changes in Fund Balance

Budget and Actual

For the year ended June 30, 2025

	Original Budget	Final Budget	2025 Actual	Variance Positive (Negative)
REVENUES:				
Other charges	\$ 275,000	\$ 275,000	\$ 284,114	\$ 9,114
Interest revenue	54,826	54,826	34,180	(20,646)
Grants	50,000	50,000	15,000	(35,000)
Miscellaneous income	-	-	-	-
Total Revenues	<u>379,826</u>	<u>379,826</u>	<u>333,294</u>	<u>(46,532)</u>
EXPENDITURES:				
Professional fees	683,153	683,153	316,049	367,104
Special contract services	72,847	72,847	52,660	20,187
Taxes and assessments	25,000	25,000	23,376	1,624
Total Expenditures	<u>781,000</u>	<u>781,000</u>	<u>392,085</u>	<u>388,915</u>
REVENUES OVER (UNDER) EXPENDITURES	(401,174)	(401,174)	(58,791)	(342,383)
REVENUES OVER (UNDER) EXPENDITURES AND OTHER FINANCING (USES)	<u>\$ (401,174)</u>	<u>\$ (401,174)</u>	(58,791)	<u>\$ (342,383)</u>
FUND BALANCES (DEFICIT):				
Beginning of year			894,325	
End of year			<u>\$ 835,534</u>	

The accompanying notes are an integral part of these basic financial statements.



JJACPA, Inc.

A Professional Accounting Services Corp.

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

Independent Auditor's Report

To the Trustees of the
San Bruno Mountain Habitat Conservation Plan Trust Fund

We have audited, 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 financial statements of the governmental activities and major fund of the San Bruno Mountain Habitat Conservation Plan Trust Fund (Trust) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Trust's basic financial statements, and have issued our report thereon dated April 21, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

April 21, 2026

JJACPA, Inc.
JJACPA, Inc.
Dublin, CA