



CITY OF BURLINGAME, CA ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2025**





Annual Comprehensive Financial Report

June 30, 2025

City of Burlingame, California

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2025

Prepared by

City of Burlingame Finance Department

CITY OF BURLINGAME, CALIFORNIA



Annual Comprehensive Financial Report

June 30, 2025

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
JUNE 30, 2025**

TABLE OF CONTENTS

	<u>Page</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i
Certificate of Achievement – Government Finance Officers Association	viii
Elected and Appointed Officials	ix
City of Burlingame Organizational Chart	x
City of Organization by Critical Service Area.....	xi
City of Burlingame Commissioners	xii
City of Burlingame Finance Department Organization Chart	xiii
Organizational Compass	xiv
FINANCIAL SECTION	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	25
Statement of Activities	26
Fund Financial Statements:	
Balance Sheet – Governmental Funds	30
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	32
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	33
Statement of Net Position – Proprietary Funds	36
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	38
Statement of Cash Flows – Proprietary Funds	40
Statement of Net Position – Fiduciary Funds.....	44
Statement of Changes in Net Position Fiduciary Funds	45
Notes to the Basic Financial Statements (The Notes to the Basic Financial Statements are an integral part of the basic financial statements)	47
Required Supplementary Information:	
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan Schedule of the City’s Proportionate Share of the Net Pension Liability.....	114
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan Schedule of Contributions	115

FINANCIAL SECTION (continued)**Required Supplementary Information (Continued):**

Agent Multiple Employer Defined Benefit Pension Plan Schedule of Changes in the Net Pension Liability and Related Ratios.....	116
Agent Multiple Employer Defined Benefit Pension Plan Schedule of Contributions.....	117
Schedule of Changes in the Net OPEB Liability and Related Ratios	120
Schedule of Changes in the Net OPEB Liability and Related Ratios Schedule of Contributions .	122
Modified Approach for the City's Infrastructure	123
Budgetary Basis of Accounting.....	127
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	129
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Storm Drainage Special Revenue Fund.....	130
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Development Fees Fund Special Revenue Fund.....	131

Combining Financial Statements and Supplemental Information:

Combining Balance Sheet – Nonmajor Governmental Funds	136
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	138
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Nonmajor Governmental Funds	140
Combining Statement of Net Position – Internal Service Funds	146
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds.....	147
Combining Statement of Cash Flows – Internal Service Funds	148
Combining Statement of Net Position – Custodial Funds.....	150
Combining Statement of Changes in Net Position- Custodial Funds.....	151

STATISTICAL SECTION

Net Position by Component	156
Change in Net Position.....	158
Fund Balance of Governmental Funds	160
Changes in Fund Balance of Governmental Funds.....	162
Assessed Values of Taxable Property	164
Net Taxable Assessed Value History.....	166
Property Tax Rates – Direct and Overlapping Governments.....	167
Top Ten Property Taxpayers	168
Property Tax Levies and Collections.....	169
Governmental Activities Tax Revenues by Source	170
Ratios of Outstanding Debt by Type.....	171
Ratios of General Bonded Debt Outstanding	172

STATISTICAL SECTION, Continued

Computation of Direct and Overlapping Debt.....	173
Legal Debt Margin Information	174
Pledged Revenue Coverage.....	176
Demographic and Economic Statistics	177
Principal Employers.....	178
Full-Time Equivalent City Government Employees by Function.....	179
Operating Indicators by Function.....	180
Capital Asset Statistics by Function	181

Independent Auditor's Report on Internal Control Over Financial Reporting

and on Compliance and Other Matters Based on an Audit of Financial Statements

Performed in Accordance with <i>Government Auditing Standards</i>.....	183
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Annual Comprehensive Financial Report

June 30, 2025

INTRODUCTORY SECTION



Annual Comprehensive Financial Report

June 30, 2025



Burlingame Finance Department

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November 17, 2025

To the Honorable Mayor, Members of the City Council, and residents of Burlingame:

We are pleased to submit the City of Burlingame's Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2025. This financial report contains a complete set of audited financial statements prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB).

Responsibility for the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the City, and in particular, the Finance Department. Information contained in this report is based upon a comprehensive framework of internal controls that has been established for this purpose. The objective of internal controls is to provide reasonable assurance that the ACFR information is accurate in all material aspects. The Management's Discussion and Analysis section of the financial report provides information on the City's financial position and should be read in conjunction with the financial statements.

As required by GAAP, the financial statements present the government and its component units that are considered to be fiscally interdependent. For financial reporting purposes, the City's basic financial statements include all funds, boards, commissions, and authorities that are controlled by or are dependent upon the Burlingame City Council.

The California Government Code requires an annual audit of the City's basic financial statements. The accounting firm Maze & Associates performed the audit for the fiscal year ended June 30, 2025. The independent auditor's report on the general purpose financial statements is included in the financial section of this report. It states that the City's basic financial statements present fairly, in all material respects, the financial position of the City as of June 30, 2025, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

The independent audit of the City's financial statements is part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on those related to and involving the administration of Federal awards. These reports are available in the City's separately issued Single Audit Report.

This transmittal letter is intended to provide an introductory profile of the City of Burlingame, including its economy and other relevant information useful in assessing its overall financial condition. The transmittal letter is designed to complement the Management's Discussion & Analysis (MD&A) and should be read in conjunction with it. The MD&A, which can be found immediately following the independent auditor's report in the financial statement of the ACFR, provides a more comprehensive look at the City's financial results.

Government Profile

The City of Burlingame is a California general law City incorporated in 1908 that operates under the Council-Manager form of government. A five-member City Council is elected to four-year terms and serves as the board of directors. In 2022, the City began transitioning to district elections, with three Councilmembers elected by district that year. The remaining two Councilmembers were elected by district on November 5, 2024. The City Council selects a Mayor and Vice Mayor from its members annually. The City Council appoints a City Manager to serve as the chief executive officer. The City Manager is responsible for all municipal functions. The City Council also appoints a City Attorney to serve as chief legal advisor for the governing body and the administration. The City's municipal services include police and fire protection, public works, community development, parks and recreation, library services, water, sewer, parking, solid waste, and storm drainage. General government activities include finance and information technology, human resources, legal services, and city administration. The City employs approximately 223 full-time employees. An executive team supports the City Manager in leading the City organization. It includes eight department directors, the City Attorney, and the City Clerk.

Burlingame is approximately six square miles in size and is located in San Mateo County, on the western shore of the San Francisco Bay approximately 10 miles south of San Francisco. According to the State Department of Finance, the estimated population of Burlingame was 31,552 on January 1, 2025. The population has remained relatively level, increasing by 2.5% over the prior year.

Budget Process

The City adopts an annual budget for all funds. Major funds include the General, Capital Projects, Debt Service, Water, Sewer, Parking, Solid Waste, Landfill, and Building Funds. Budgets are prepared on the same basis of accounting as the associated financial statements.

The City's formal budget is employed as a management control device during the year, and it is adopted annually for all City funds, except for the fiduciary funds and certain special revenue funds where appropriate. Consistent with most governmental entities, the City's budget is based on a modified accrual basis of accounting under which revenues are recognized in the period they become available and measurable, and expenditures are recognized in the period the related liability is incurred.

The City budget includes information regarding estimated costs (or outlays) and revenue (or cash inflows) for identified programs, projects, and levels of service to meet the needs of the City. All annual appropriations lapse at the end of the fiscal year except in the Capital Projects Fund, because capital improvement projects typically span more than one fiscal year. Appropriations for capital projects lapse when projects are completed, placed into service, accounted for as capital assets, or abandoned at the discretion of the City staff and/or City Council.

Budget amendments that increase a fund's appropriations require majority approval by the City Council. Certain budgetary re-allocations within departments require approval by the Finance Director and Department Heads. The Finance Director and City Manager approve budget amendments between departments. Staff presents a mid-year budget status report and a long-term financial forecast for the next five years to the City Council as part of an ongoing assessment and evaluation of budgetary performance, with special attention to the General Fund and certain other major funds.

The City Council encourages all Burlingame residents and business community members to participate in the development of the City budget. The Council holds three public meetings to provide guidance on the budget: a goal-setting session in January, and budget study sessions in March and May. The City Council solicits input at each of the meetings. Community members may also submit their ideas directly to the City Council and/or City staff.

Under these policy directives and guidance, departments prepare their budget requests in support of their programs for submission in early April. Expenditure assumptions are based on known factors such as collective bargaining agreements, current pay and benefit policies, consumer price indices, and other information available from expert third parties or governing authorities.

The Finance Department reviews budget requests for technical compliance with City budget instructions. The Proposed Budget is prepared and delivered to the City Council in May. The City Council reviews the Proposed Budget before adopting the final budget in June at a public hearing, which gives residents an additional opportunity to comment on the spending plan.

Assessment of Economic Conditions

The City's top three revenue streams (from property tax, transient occupancy tax, and sales tax) constitute nearly 76.8% of the City's General Fund revenues. However, many of these revenues are highly sensitive to economic conditions and reliant on the travel and leisure industry. In recognition of the vulnerability of the City's main revenue sources, Burlingame's General Fund Reserve Policy requires the City to hold a high level of reserves. Additionally, the City built up a sizable Capital Investment Reserve from operating surpluses prior to the pandemic. Coupled with the systematic pre-funding of its pension and retiree medical obligations, the City was able to manage through the last few years without impacting its service levels while the economy was recovering.

Key indicators of the City's economic health are job growth, real estate values, travel activity, and retail sales volume. Although the pandemic greatly impacted travel-related activity, the City is seeing a gradual improvement in the collection of transient occupancy tax (TOT) revenues. Assessed values of properties in Burlingame have remained solid. The following information is being provided to offer a flavor of the City's fiscal health as it stands at the time of this report.

Employment

The August 2025 unemployment rate of 4.2% in the San Francisco-San Mateo-Redwood City Metropolitan Area, which is unchanged from the prior year, remains one of the lowest in California, according to recent data from the Employment Development Department (EDD). In comparison, California's unadjusted unemployment rate stood at 5.8%, while it was 4.5% nationwide during the same period. Average salaries in the Bay Area are well above the California average and are expected to remain so in the near future.

Real Estate & Property Taxes

Property taxes, which are based on assessed value, are the City's largest revenue source. Fiscal year 2024-25 property tax receipts were \$34.5 million, up approximately 9.2% from the prior year, and accounted for 36.8% of the City's General Fund revenue.

According to data obtained from the San Mateo County Assessor, the City has 8,761 parcels with a net total assessed value of nearly \$18.6 billion—an increase of \$1.2 billion, or 7.0%, since last year. Residential and commercial assessed values grew by 7.1%.

The median sale price of detached single-family homes sold in Burlingame for the quarter ending June 30, 2025, was nearly \$3.1 million, an increase of \$150,000, or 5.2%, from the median sale price in the same period for 2024. County-wide, the median value of single-family homes sold in the same period dropped by \$58,000 in 2025. Concerns over high interest rates and inflation are decreasing the volume of home sales. The continued lack of inventory of homes on the market appears to be the primary driver of high housing costs. With lower-income residents getting priced out of the area, housing affordability is a priority issue for Burlingame and for the entire San Francisco Metropolitan area.

Sales and Use Taxes

Burlingame is a highly desirable residential community and upscale commercial location with attractive shopping districts. Burlingame borders Hillsborough, an affluent community that is 100% residential. Therefore, in many cases, Burlingame businesses have the opportunity to serve the commercial needs of Hillsborough residents and benefit from the additional disposable income from neighboring communities. Numerous national retailers are located in the Burlingame Avenue Business District, making the area competitive with regional shopping malls. In addition, the city is known for its upscale restaurants and businesses that attract patrons from throughout the San Francisco Bay Area. The City owns and manages most of the parking spaces located within the shopping districts, working closely with local merchants to enhance the overall shopping experience.

Sales and use taxes accounted for 18.6% of General Fund revenue in fiscal year 2024-25. Sales and use tax revenues were \$17.4 million, which is approximately 1.4% less than the prior year's receipts of \$17.6 million. Note that these revenues include both the 1% local sales tax on taxable transactions and the City's Measure I receipts of \$3.1 million. Measure I, approved by the voters in November 2017 and effective in April 2018, enacted an additional ¼ cent transaction tax to help fund street and sidewalk maintenance, enhance neighborhood police patrols and programs, and support the cost of maintaining recreation programs and facilities.

Tourism and Business Travel

The City's 11 major hotels provide convenient overnight accommodations for business travelers and tourists using San Francisco International Airport (SFO), with a total of approximately 3,496 rooms. Hotel occupancy rates are indicative of continued economic improvement. As the City's second largest revenue source, transient occupancy tax revenue accounts for nearly 21.5% of all General Fund revenues and grew by over \$0.9 million, or 4.6%, compared to the prior year. Combined occupancy rates increased from 76.6% for the first six months of the calendar year 2024 to 77.9% for the same period in 2025. Average room rates within the city increased from \$178 to \$186 for the same reporting period. As reported by the San Francisco Airport, the number of domestic and international airport passengers increased by 5.4% for January through September 2025 compared to the same period in 2024.

Financial Information

Accounting System, Budgetary Control & Fund Accounting: All governmental fund types use the modified accrual basis of accounting. Revenues are recorded when measurable and available, rather than when received, and expenditures are recorded when the liability is incurred, rather than when paid. All governmental fund types are accounted for on a spending (or funds flow) measurement focus. Only current assets and current liabilities are generally included on the governmental fund balance sheets. Conversely, the accrual basis of accounting is used for proprietary funds and fiduciary funds. Revenues, or additions for fiduciary funds, are recognized when earned. Expenses, or deductions for fiduciary funds, are recognized when incurred, similar to private sector accounting. This method focuses on the economic resources of the fund, including long-term assets and liabilities.

Internal Controls: City management is responsible for establishing and maintaining adequate internal controls to ensure that City assets are protected from loss, theft, or misuse and to assure that adequate accounting data is compiled to allow for the preparation of financial statements that conform to generally accepted accounting principles. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived, and that cost-benefit analysis requires prudent estimates and judgments by management.

The Finance Department establishes internal accounting controls to provide management with reasonable assurance regarding the protection of assets and the reliability of financial records for preparing financial statements and maintaining asset accountability. The City's finance staff and the independent auditor consider the internal controls over financial reporting in planning and performing the annual audit. The independent auditors test the City's internal controls and make inquiries into staff's knowledge of fraud or the occurrence of fraud.

Cash Management: The City pools cash from all operating sources to manage cash flow and invest idle funds. The Finance Director serves as the City's Treasurer and, utilizing the services of a third-party asset management advisor, oversees the investment of funds in accordance with the City Council's adopted Investment Policy and Government Code Sections 53601 and 56535. The Finance Director submits a quarterly investment report to the Council. The Council also reviews and approves the City's Investment Policy early in each fiscal year.

Risk Management: The City is a member of the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), a joint powers insurance authority that consists of 28 member cities in the San Francisco Bay Area. The PLAN JPA was established to provide liability insurance, claims, risk management, and legal defense services to participating members. The program provides the City with liability coverage up to a maximum of \$35 million, with the City maintaining a self-insured retention of \$250,000. The City also maintains workers' compensation coverage to a maximum of \$5 million, with a self-insured retention of \$500,000 per claim and employment practice liability risk coverage with a City retention of \$100,000. The City maintains reserves for all claims below its self-insured retention in separate Internal Service Funds and charges the cost of the programs to operating departments. Accruals for current and expected claims were included in the year-end results for the General Liability and Workers' Compensation Funds based on an actuarial study of current obligations. The City implemented and is in compliance with Governmental Accounting Standards Board Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*.

Debt Administration: The City has an AAA credit rating for its outstanding pension obligation bonds and an AA+ on the City's outstanding lease revenue bonds and water and wastewater revenue refunding bonds. The rating on the City's storm drainage revenue bonds is AA.

As of June 30, 2025, the City had 12 outstanding bonds or loans, including a taxable bond issue for pension obligations, two loans from the State of California Water Resources Control Board for improvements to the Burlingame Wastewater Treatment Plant, and a storm drain revenue bond issued under the Internal Revenue Service's Build America Bond program. The City annually evaluates each outstanding debt obligation that is subject to arbitrage rebate requirements and determines that there is no arbitrage rebate liability as of June 30, 2025.

As of June 30, 2025, the City's general obligation debt limit was nearly \$666 million, which represents 3.75% of total assessed valuation based on assessments at 100% of full market value, in accordance with California Government Code Section 43605. With only the 2006 Pension Obligation Bonds (nearly \$4.7 million outstanding) considered to be general obligation debt, the City's legal debt margin was \$661 million.

Additional information pertaining to the City's outstanding long-term debt can be found under Long-Term Debt (Note 7) in the Notes to the Basic Financial Statements and in the Statistical Section under Legal Debt Margin information.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended June 30, 2024. The City has received the award for 23 consecutive years. To receive the award, a government must publish a readable and well-organized annual financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements. The certificate is valid for one year. Staff believes that the City's current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements.

Acknowledgments

The preparation of this report on a timely basis could not have been accomplished without the dedicated service of the entire staff of the Finance Department. Each member of the team has our sincere appreciation for their contributions to furthering the fiscal year-end audit while maintaining excellent levels of financial service and accountability. Special thanks go to the City's Financial Services Manager, Darlene Wong, who oversaw the compilation and review of the financial statements, and to Karen Cao, Financial Services Manager, Hnin Phwe, Senior Accountant, John Kang, Accountant II, and Vi Ngo, Accountant I, who are also major contributors to this effort. The audit firm of Maze and Associates has also been very helpful in meeting the City's audit report and financial reporting requirements.

The City Council's continued support in fiscal matters, particularly in maintaining a long-term, sustainable financial vision, is essential and sincerely appreciated. The financial health of the City is a direct result of its vigilant fiduciary stewardship.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Lisa K. Goldman', followed by a long horizontal flourish.

Lisa K. Goldman
City Manager

A handwritten signature in blue ink, appearing to read 'Helen Yu-Scott', followed by a long horizontal flourish.

Helen Yu-Scott
Finance Director & Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Burlingame
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



**CITY OF BURLINGAME, CALIFORNIA
ELECTED AND APPOINTED OFFICIALS
FISCAL YEAR ENDED JUNE 30, 2025**

CITY COUNCIL

Peter Stevenson, Mayor December 2026
Michael Brownrigg, Vice Mayor December 2026
Donna Colson December 2028
Andrea Pappajohn December 2026
Desiree Thayer December 2028

CITY MANAGER

Lisa K. Goldman

DEPARTMENT DIRECTORS

Community Development Neda Zayer
Finance Director and Treasurer Helen Yu-Scott
Central County Fire (JPA) Chief Dave Pucci
Human Resources Maria Saguisag-Sid
Library Brad McCulley
Parks and Recreation Margaret Glomstad
Police Robert Boll (Interim)
Public Works Syed Murtuza

CITY CLERK

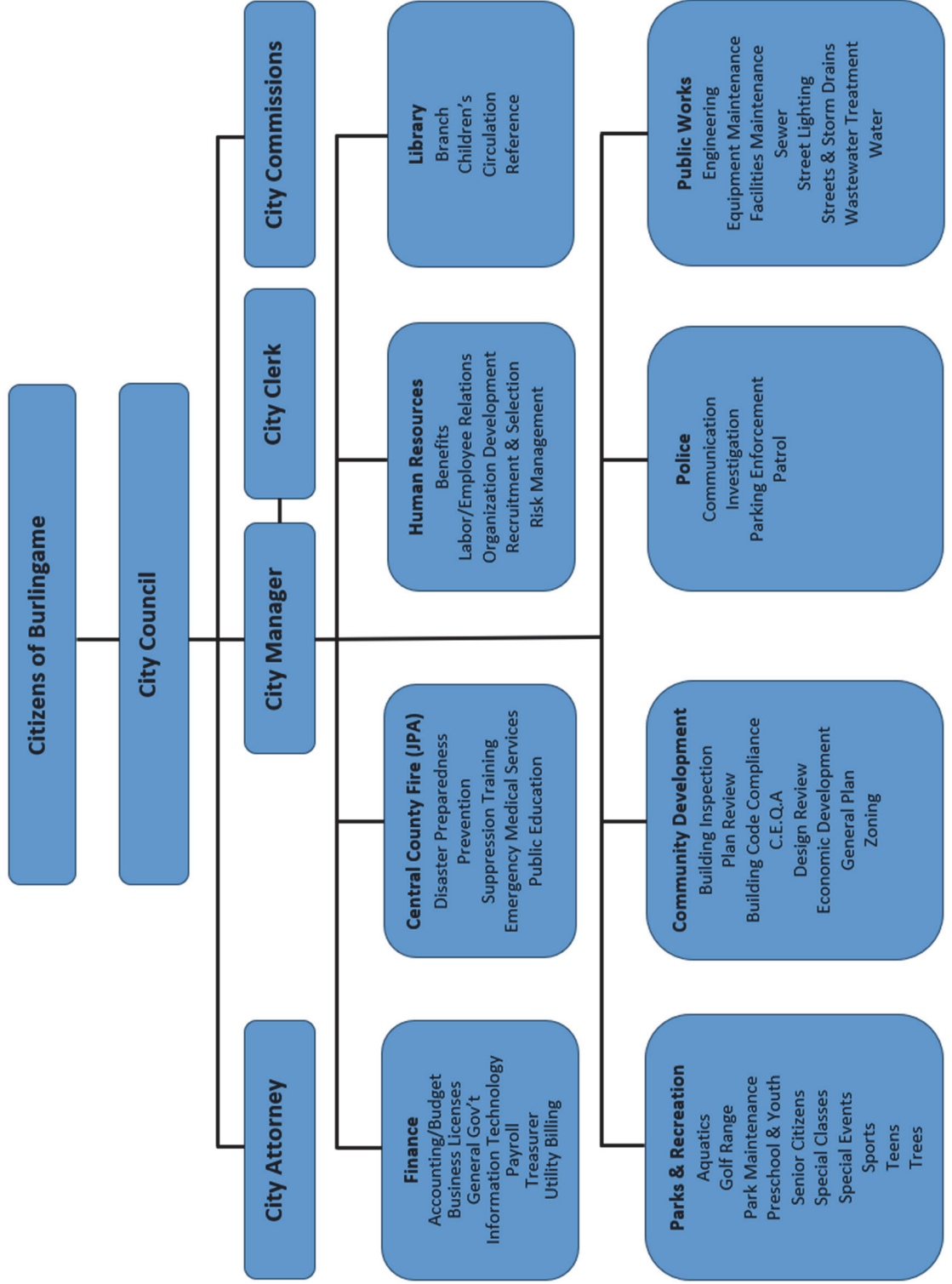
Meaghan Hassel-Shearer

CITY ATTORNEY

Michael Guina



**CITY OF BURLINGAME, CALIFORNIA
ORGANIZATIONAL CHART**



General Government

City Attorney

In-house counsel, risk management, and code enforcement

City Clerk

Elections, City records, public meetings, public noticing, and maintenance of municipal code

City Manager

Supervision of departments, implementation of City policy and strategy, management of City communications and sustainability programs

Finance

Revenue management, disbursements, budget and forecasting, payroll, financial reporting, treasury, purchasing, information technology, telecom and utility billing, business licenses, debt financing and servicing, front-desk customer service, and solid waste

Human Resources

Salary and benefits administration, employment, health and safety, employee training and wellness, and collective bargaining

Public Safety

Police

Community patrol and protection, 911 communications and dispatch, crime prevention, K-9 Program, traffic safety, parking enforcement, and community outreach

Central County Fire Department (JPA)

Fire suppression and prevention, emergency medical services, and disaster preparedness for the City of Burlingame and the Town of Hillsborough; provision of service to the City of Millbrae via contract

Leisure and Neighborhood Services

Library

City literacy advocacy, circulation of written and digital media, special programs, and community education for citizens, children, and teens

Parks

Operation and maintenance of urban forest, landscaping, City parks, and infrastructure

Recreation

Recreational, educational and after-school programs for pre-school children, youth, and seniors

Public Works

Engineering

Administration of capital improvement program including major and minor repair and replacement of city infrastructure

Water & Sewer

Delivery of potable water, treatment and discharge of sanitary flows in accordance with environmental, health and safety guidelines

Streets & Storm Drainage

Street sweeping, transportation and regional shuttles, streetlights, and stormwater management and compliance

Community Development

Building

Plan checking, inspection, complaint response, development review and consultation, and building research and development

Planning

Public outreach, land use, economic development, plan checks, housing programs, and code and zoning enforcement



**CITY OF BURLINGAME, CALIFORNIA
COMMISSIONERS
FISCAL YEAR ENDED JUNE 30, 2025**

BEAUTIFICATION

Carol BatteDecember 2025
Marcia Bauer.....December 2025
Sean ChuDecember 2027
Antoinette Damico.....December 2027
Richard Kirchner.....December 2027

LIBRARY BOARD

Sidhartha Andrew Palani.....June 2027
Kerry BitnerJune 2028
Jill Goldsmith.....June 2026
Uma Krishnan.....June 2028
Mark LucchesiJune 2026

PARKS & RECREATIONS

Cherie Yu..... October 2025
John Brunello October 2027
Dale Chang October 2026
John Giere October 2027
Ian Milne October 2025
Teresa Curtis October 2025
Howard Wettan October 2026

PLANNING

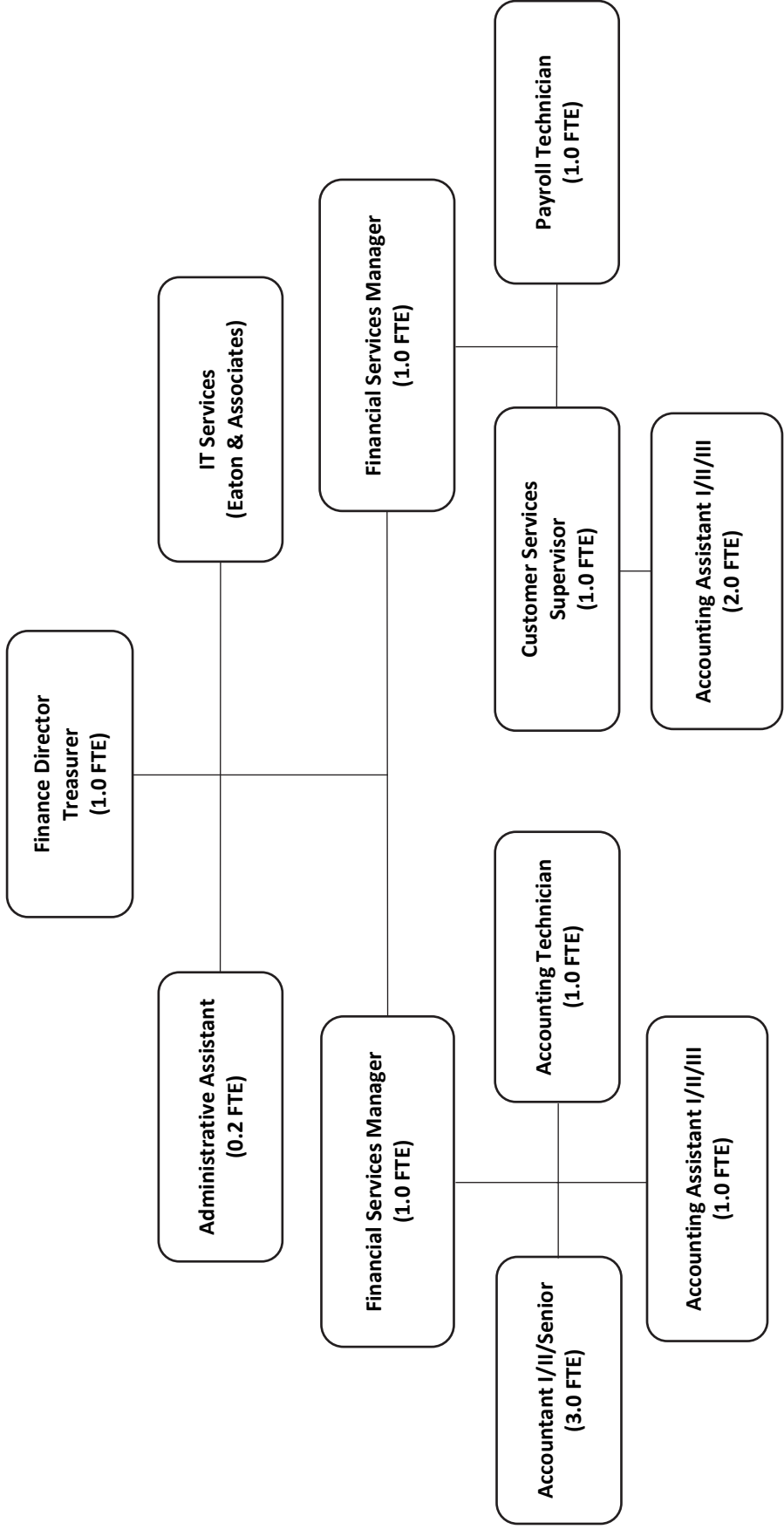
Walker Shores April 2027
Chris Horan April 2026
Sean Lowenthal April 2026
John Schmid April 2029
Audrey Tse April 2026
Jennifer Pfaff April 2028

TRAFFIC, SAFETY & PARKING

Lynn Israelit November 2026
Irene French..... November 2026
John Marlos November 2025
Tony Brown..... November 2027
Jennifer Johnson November 2027



CITY OF BURLINGAME, CALIFORNIA
FINANCE DEPARTMENT ORGANIZATION CHART FOR FISCAL YEAR 2024-2025



CITY OF BURLINGAME

ORGANIZATIONAL COMPASS

The City of Burlingame is an organization that exists to serve and benefit the community. We deliver unsurpassed municipal services that enhance the quality of life for our citizens. As employees of the City of Burlingame, we recognize the leadership role we play in the community and we hold ourselves accountable to those we serve. We value the partnership that exists between the organization and community and strive to foster and maintain that relationship. As such, we are committed to the tenets of the Organizational Compass.

COMMUNITY SERVICE THAT IS RESPONSIVE TO AND MEETS THE NEEDS OF THE PUBLIC BY:

- Being dedicated to the community we serve
- Involving and understanding our community
- Anticipating and adapting to the changing needs of our citizens

AN ETHICAL ORGANIZATION THAT INTERACTS WITH THE PUBLIC AND EACH OTHER IN AN HONEST AND PROFESSIONAL MANNER BY:

- Treating people with respect and dignity
- Taking responsibility for our decisions, statements and actions to the organization and community
- Dealing with differences and conflicts in a professional, respectful and authentic fashion

ONE ORGANIZATION THAT FOSTER POSITIVE RELATIONSHIPS AND TEAMWORK BY:

- Being part of the solution
- Creating and maintaining constructive relationships while respecting individual contributions
- Focusing on the issues and needs of the organization and community
- Encouraging behavior that builds confidence and self esteem
- Emphasizing self-initiative, constant improvement and employee involvement

POSITIVE LEADERSHIP THAT IS NURTURING AND FORWARD-THINKING BY:

- Recognizing the leadership role all employees play in the community
- Encouraging innovation and creativity
- Leading by example
- Being supportive, humanistic and compassionate

As City employees we embrace the Organizational Compass and will be guided by its points.

FINANCIAL SECTION



Annual Comprehensive Financial Report

June 30, 2025

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, 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 and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Maze + Associates". The script is cursive and somewhat stylized.

Pleasant Hill, California
November 17, 2025

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

This is Management's Discussion and Analysis of financial activities for the fiscal year ended June 30, 2025. This information should be read together with the transmittal letter, financial statements, and notes to the basic financial statements to better understand the City of Burlingame's (the City) financial position.

The City prepared its annual financial report in accordance with accounting principles generally accepted in the United States of America (GAAP) and all Governmental Accounting Standards Board (GASB) pronouncements that affect the City.

Financial Highlights for Fiscal Year 2024-25 (ending June 30)

Key financial highlights for the year are as follows:

- In total, City assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$486.9 million, which is a \$39.0 million increase compared to the beginning net position.
- Governmental fund balances increased by \$15.0 million to \$180.3 million. Of this amount, approximately \$8.0 million, or 4.4%, was unassigned fund balance and available for spending at the City's discretion.
- The Enterprise Funds' net position increased by \$9.5 million to nearly \$200.9 million. Of this amount, \$68.7 million was unrestricted net position and available at the City's discretion.
- General Fund revenues increased by \$4.2 million in fiscal year 2024-25, an increase of 4.7% over the prior year's total of \$89.5 million. The revenue increase was driven primarily by continuing growth in property tax revenue and a positive market adjustment of \$0.9 million for the City's investments. At nearly \$20.2 million, the transient occupancy (hotel) tax receipts increased by about \$0.9 million, or 4.6% more than the prior year's collection. Sales and use tax revenues (including Measure I) ended the fiscal year down \$242,000 (1.4%), while property tax revenue remained solid, rising nearly \$2.9 million (9.2%).

Overview of the Financial Statements

This section introduces the reader to the City's three basic financial statements: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. The report also contains supplemental information to help the reader fully understand the City's financial activities.

Government-Wide Statements

The government-wide financial statements include the **Statement of Net Position** and the **Statement of Activities**. These statements provide a broad overview of the City's finances and are presented in a manner similar to private-sector business.

The **Statement of Net Position** presents complete information on the City's assets and deferred outflows of resources, as well as liabilities and deferred inflows of resources, with the difference reported as net position. Changes in net position that occur over time may serve as an indicator of the City's financial position.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The **Statement of Activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported using the "accrual basis of accounting." Changes are reported when the underlying event causing the changes occurs, regardless of the timing of the related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will result in cash flows in future years, such as revenues related to uncollected taxes or earned but unused employee leave.

Both government-wide financial statements distinguish between governmental activities, such as City functions supported by taxes and intergovernmental revenue, and other self-supporting activities. The self-supporting functions are called "business-type activities," or enterprise funds. They are intended to recover all or a significant portion of their costs through user fees and charges for services.

Governmental activities include general government administration, public safety (such as police, fire, and 911 dispatch), public works, community development, parks and recreation, library, shuttle bus operations, debt and revenue financing, and other activities. Self-supporting, business-type activities include water, sewer service, parking, solid waste, landfill, and building inspection.

Fund Financial Statements

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

Governmental Funds

Governmental funds account for tax-supported functions reported as governmental activities in the government-wide financial statements. Governmental funds use the "current financial resources" measurement focus, with an emphasis on having sufficient resources to meet expenditures in the short-term – a 12-month fiscal year. These statements focus on how cash and other financial assets can be readily converted to available resources for spending on City services. They also show fund balances that are left at the end of the fiscal year and distinguish between amounts that are restricted versus funds that are available for spending.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impacts of the City's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental activities and governmental funds.

The City has five major governmental funds: General, Capital Projects, Storm Drainage, Development Fees, and Debt Service. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds. Financial information for the remaining governmental funds is combined into a single, aggregated presentation called Non-Major Governmental Funds. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located elsewhere in the report.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Proprietary Funds

Proprietary funds are used to account for services and activities for which a fee is charged to customers in exchange for City provided goods or services. Proprietary funds use the "economic resources" measurement focus, which concentrates on how transactions and events have affected the fund's total economic resources. The City maintains two different types of proprietary funds.

Business-Type Activities, or Enterprise Funds: These are funds that are used to report business-type activities in the government-wide financial statements. The City has six enterprise funds: Water, Sewer, Parking, Solid Waste, Landfill, and Building Fund.

Internal Service Funds: These funds are used to allocate costs internally among the City's functions. The City uses internal service funds to account for the maintenance and replacement of its fleet and rolling stock, maintenance of City buildings and facilities, costs and related liabilities associated with the retiree medical program, general liability, workers' compensation, information technology and administrative support, and employment insurance. These funds are included in the governmental activities of the government-wide financial statements because their activities support governmental programs. The internal service funds are then combined into a single, aggregated presentation in the proprietary fund financial statements. Individual data for the internal service funds is provided in the form of combining statements.

Fiduciary Funds

Fiduciary funds are used to account for financial resources held for the benefit of parties outside the City government. The City holds these funds in a custodial capacity or as an agent for individuals, private organizations, or other governmental units such as the State of California or the United States. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's governmental activities.

Government-Wide Financial Analysis

All financial statements are presented in conformance with GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis (MD&A) – for State and Local Governments*. Prior-year information is made available for a comparative analysis of government-wide data.

Analysis of Net Position

The City had a total net position of \$486.9 million as of June 30, 2025, an 8.7% increase from the beginning total net position of \$447.9 million. Assets and deferred outflows of resources as of the end of June 30, 2025, were \$743.9 million, reflecting a 3.7% positive change from the prior year. Liabilities and deferred inflows of resources decreased by 4.6% (\$12.5 million). The City experienced a drop of \$11.9 million in long-term liabilities, a decrease in pension-related deferred inflows (\$0.5 million), and a \$1.4 million reduction in the City's OPEB (retiree medical obligations) related deferred inflows.

CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The largest portion of the City's net position (approximately 55.1%) is its net investment in capital assets, totaling \$268.4 million. Capital assets are the aggregate value of land, buildings, and improvements used to provide services. Their value is reported net of related debt because the funds to repay the debt come from other sources - the capital assets themselves cannot be used to liquidate these liabilities. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. An additional portion of the City's net position, \$100.3 million (20.6%), represents resources subject to restrictions and may only be used for debt service, to construct specified capital projects, or within the confines of special revenue programs.

Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. On June 30, 2025, the City's unrestricted net position was approximately \$118.2 million, or 24.3% of its total net position.

City of Burlingame Comparative Statement of Net Position June 30, 2025 and 2024 (Amounts in Millions)						
	Governmental		Business-Type		Totals	
	Activities		Activities			
	2025	2024	2025	2024	2025	2024
Assets:						
Current and other assets	\$230.11	\$208.19	\$116.95	\$112.38	\$347.07	\$320.57
Capital assets	226.75	215.56	129.31	126.61	356.06	342.17
Total assets:	456.86	423.75	246.27	238.99	703.13	662.74
Deferred Outflows:	33.77	45.31	6.97	9.38	40.75	54.69
Liabilities:						
Current liabilities	14.40	13.79	7.70	6.28	22.10	20.07
Other liabilities	5.02	5.19	4.12	4.69	9.14	9.88
Long term liabilities	183.36	190.12	40.39	45.54	223.75	235.66
Total liabilities:	202.79	209.10	52.20	56.51	254.98	265.61
Deferred Inflows:	1.80	3.41	0.19	0.47	2.00	3.88
Net Position:						
Net investment in capital assets	158.91	146.72	109.52	103.80	268.44	250.52
Restricted	77.63	66.43	22.66	21.89	100.29	88.32
Unrestricted	49.50	43.40	68.67	65.70	118.17	109.10
Total net position:	\$286.04	\$256.55	\$200.85	\$191.39	\$486.89	\$447.94

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Governmental Activities

Governmental activities increased the City's net position by \$29.5 million to \$286.0 million at the end of the fiscal year. The increase was attributable to several factors.

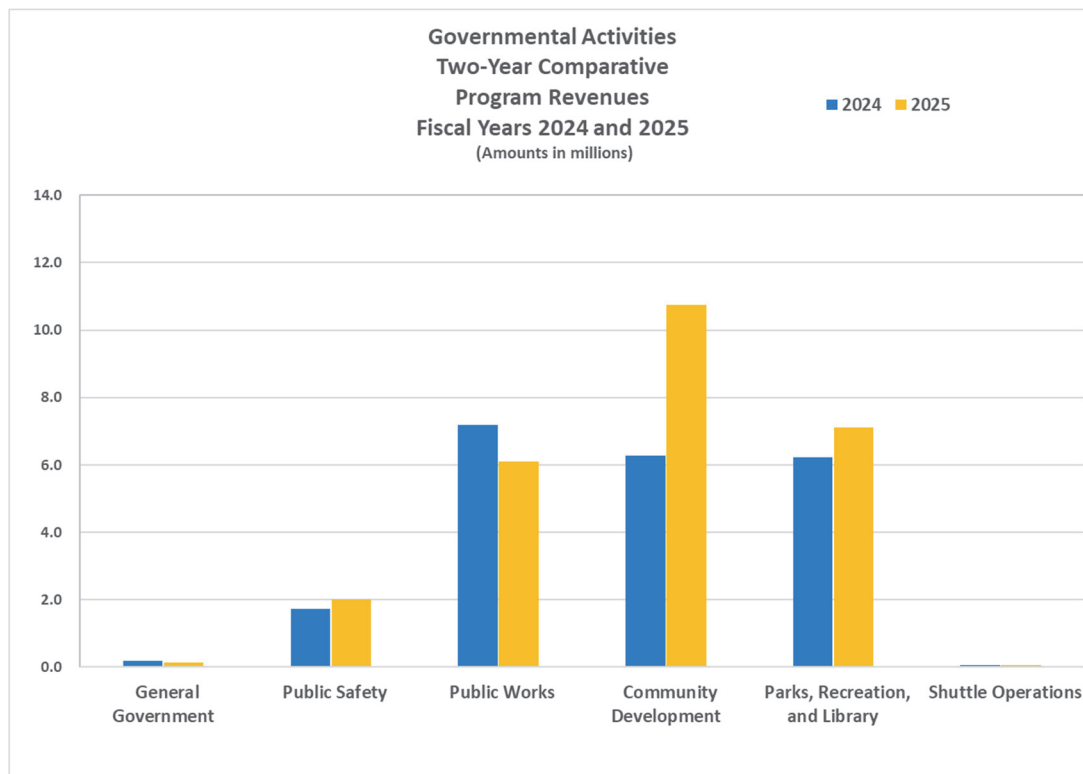
City of Burlingame Statement of Activities For the Fiscal Years Ended June 30, 2025 and 2024 (Amounts in millions)						
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$21.44	\$18.48	\$46.62	\$45.88	\$68.06	\$64.36
Operating grants and contributions	0.88	1.10	-	-	0.88	1.10
Capital grants and contributions	3.96	2.08	-	-	3.96	2.08
General revenues:			-	-		
Property taxes	34.45	31.56	-	-	34.45	31.56
Sales taxes	18.88	19.09	-	-	18.88	19.09
Transient occupancy taxes	20.17	19.29	-	-	20.17	19.29
Other taxes	6.09	5.95	-	-	6.09	5.95
Other general revenue	0.94	0.44	0.69	0.42	1.62	0.86
Total revenues:	106.80	97.99	47.31	46.30	154.11	144.29
Expenses:						
Governmental Activities						
General government	8.34	8.00	-	-	8.34	8.00
Public safety	39.75	36.03	-	-	39.75	36.03
Public works	13.59	10.43	-	-	13.59	10.43
Community development	3.03	3.52	-	-	3.03	3.52
Parks, recreation and library	25.02	24.32	-	-	25.02	24.32
Shuttle operations	0.07	0.07	-	-	0.07	0.07
Interest	2.63	2.70	-	-	2.63	2.70
Business-Type Activities						
Water	-	-	19.43	17.28	19.43	17.28
Sewer service	-	-	13.00	13.01	13.00	13.01
Waste management	-	-	0.79	0.86	0.79	0.86
Landfill	-	-	0.53	0.38	0.53	0.38
Parking	-	-	1.92	1.77	1.92	1.77
Building inspection	-	-	4.02	4.16	4.02	4.16
Total expenses:	92.44	85.07	39.69	37.46	132.13	122.53
Increase/(decrease) in net position before transfers	14.36	12.92	7.61	8.84	21.98	21.76
Investment income (expenses)	11.51	10.05	5.47	4.75	16.98	14.79
Transfers	3.62	1.97	(3.62)	(1.97)	-	-
Change in net position:	29.49	24.93	9.46	11.62	38.95	36.55
Net position - beginning, restated	256.55	231.62	191.39	179.77	447.94	411.39
Net position - ending	\$286.04	\$256.55	\$200.85	\$191.39	\$486.89	\$447.94

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

General revenues rose by \$4.2 million (5.5%). The increase was primarily due to a 9.2% (\$2.9 million) increase in property tax receipts, driven by a 2% rate increase for the secured tax and an unanticipated increase in Vehicle in-lieu distribution. The transient occupancy tax revenue also contributed to the growth, with an increase of 4.6% (\$0.9 million) due to improvements in occupancy rates and average room rates, driven by growth in travel and tourism.

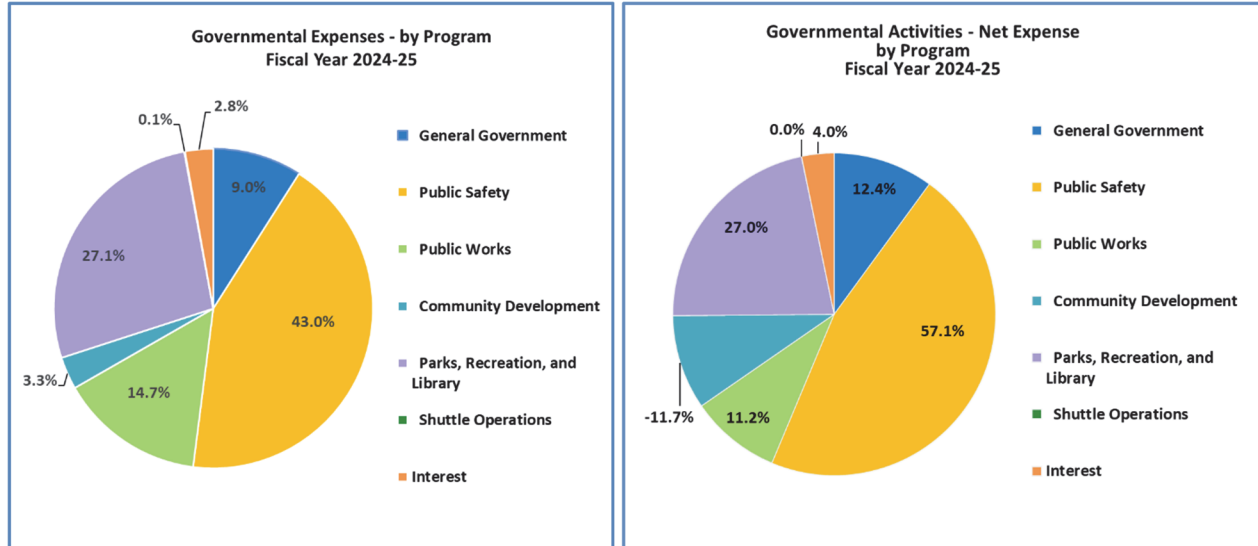
Expenses from governmental activities increased by \$7.4 million, bringing the total to \$92.4 million for the fiscal year. This increase was a combination of cost-of-living and capital investment increases offset somewhat by accounting adjustments for pension and OPEB – a 30.4%, or \$3.2 million, increase in public works; a 4.1%, or \$0.3 million, increase in general government; a 13.9%, or \$0.5 million, decrease in community development; a 2.9%, or \$0.7 million, increase in the parks, recreation, and library programs; and a 10.3%, or \$3.7 million, increase in the public safety category.

The majority of these governmental activities are financed from City taxes. However, the \$21.4 million in charges for services (reported as program revenues) for these activities helped offset departmental spending on some services. Overall, program revenues accounted for approximately 28.4% of governmental expenses during the fiscal year. The program revenues from governmental activities were \$4.6 million higher than in fiscal year 2023-24.



The charts of expenses and net cost of the City's various governmental activities shown below are derived from the Statement of Activities. The first pie chart shows expenses incurred in each area as a percentage of total governmental activities expenses (\$92.4 million in fiscal year 2024-25). This compares with the relative net cost after applying program revenues derived from each area's activity, shown in the second chart. The total net cost of governmental activities (\$66.2 million in fiscal year 2024-25) must be funded out of the City's general revenues – primarily taxes and investment earnings. Areas with the highest program revenues (i.e., planning permits and recreation offerings) are able to offset relatively more costs than activities that have fewer opportunities to derive program revenues (such as public safety).

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



Business-Type Activities

The net position for business-type activities increased by nearly \$9.5 million, or 4.9%, from a beginning net position of \$191.4 million. The increase largely results from collecting revenues needed for future utility infrastructure and improvements. In fiscal year 2024-25, enterprise operations produced total operating revenues (consisting mainly of revenues from charges for services) of \$47.3 million, which is a 2.2% increase from fiscal year 2023-24. Building activities decreased by \$1.1 million, or 19.0%, mainly due to the slowdown in construction permit fee collections from large development projects.

Business-type expenses totaled \$39.7 million. Operating expenses for these activities increased approximately 6.0% from prior-year expenses of \$37.5 million. This increase was attributable primarily to expenses incurred with Water and Sewer utilities and the cost of Parking and Building operations.

The change in net position reflected a healthy increase for enterprise activities. Unlike governmental activities, program revenues cover total expenses in business-type activities without any contribution from City taxes. The City is able to adjust water, sewer, solid waste, and parking rates, as well as building permit fees to cover expenditures and future liabilities.

Financial Analysis of City Funds

Governmental Funds

The Governmental Funds' financial statements provide information on the short-term inflows, outflows, and balances of resources available for spending over the 12-month fiscal period. The goal of the funds is to ensure sufficient resources are available to finance City services each fiscal year. In particular, the unassigned fund balance may serve as a measure of the City's short-term available funds for spending. The General Fund, Capital Projects Fund, Storm Drainage Fund, Development Fees Fund, Debt Service Fund, or collectively, the 'major funds,' are reported separately in the Basic Financial Statements. A separate accounting of the City's eight non-major governmental funds can be found in the Combining Statements in the Other Supplementary Information section of the ACFR.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Total Governmental Funds (Amounts In Millions)					
Fund Description	6/30/2025		7/1/2024		Change - Net Position/Fund Balance
	Net Position/Fund Balance	6/30/2025 Nonspendable	Net Position/Fund Balance	7/1/2024 Nonspendable	
General Fund	\$57.64	\$0.07	57.41	0.13	\$0.24
Capital Projects	62.29	0.17	55.97	0.07	6.33
Storm Drainage	12.49	-	10.88	-	1.60
Debt Service Fund	7.73	-	8.44	-	(0.73)
Development Fees Fund	29.09	-	22.19	-	6.90
Non-Major Funds	11.08	-	10.46	-	0.62
Total	\$180.31	\$0.24	\$165.35	\$0.20	\$14.96

The General Fund is the City's main operating fund. Revenues and expenditures are monitored year-round to maintain a balanced budget. General Fund revenues totaled \$93.7 million in fiscal year 2024-25, reflecting a \$4.2 million (4.7%) increase from the prior year's performance of \$89.5 million. Expenditures totaled \$79.5 million, \$2.8 million higher than in the prior year. Revenues less operating expenditures before transfers were about \$14.2 million. The General Fund transferred \$3.7 million to the Debt Service Fund to pay for governmental debt and nearly \$12.7 million to the Capital Projects Fund. The large contribution for capital spending was approved to pay for parks and tree-related project expenditures (\$1.4 million), public facility project expenditures (\$9.2 million), and street-related project expenditures (\$2.0 million). The City continued to pause its contribution to the Capital Investment Reserve due to lingering fiscal challenges arising from the COVID-19 pandemic. Detailed notes on the transfers are available in the Interfund Transfers section (Note 4) of the Notes to the Basic Financial Statements.

As of June 30, 2025, the General Fund fund balance was \$57.6 million, an increase of \$236,000 from the prior year's fund balance of \$57.4 million. The City Council assigned \$27.2 million as reserves for specific purposes described in Note 13 of the Notes to the Basic Financial Statements. \$22.3 million of the ending General Fund fund balance reflects the amount of cash and investments restricted for specific purposes – this is the amount held in the City's \$115 Trust Fund to pay required future pension contributions attributable to governmental funds. The remaining \$8.0 million represents unassigned amounts.

Capital Projects Fund

The Capital Projects Fund accounts for the resources used to acquire, develop, and construct capital improvements or to purchase major capital equipment for governmental activities. The City capitalizes equipment with a cost basis of at least \$5,000 and an estimated useful life of over one year. Structures, improvements, and infrastructure valued at \$250,000 and above are also capitalized. All capital assets are valued at historical cost, and major outlays for capital assets and improvements are capitalized as projects are constructed. For more information on capital assets, please refer to the Notes to the Basic Financial Statements under Capital Assets (Note 6).

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The Capital Projects Fund had over \$3.9 million in revenues, almost double the prior year's funding. The increase was due to higher grant reimbursements and donations compared to the prior year. Projects were also financed mainly by \$20.8 million in transfers from other funds to support ongoing construction costs and previously appropriated projects. In addition to the General Fund contribution of nearly \$12.7 million, over \$1.0 million of Storm Drain bond proceeds, nearly \$1.8 million from Gas Tax and SB 1 special revenue funds, \$1.1 million from Measure A funds, nearly \$2.7 million from Development Impact Fees, about \$0.7 million each from both Water and Sewer Enterprise Funds, and over \$0.2 million from the Parking Enterprise Fund were transferred into the Capital Projects Fund.

Capital project expenditures totaled \$18.4 million, an increase of \$8.6 million from prior-year expenditures. At the end of the fiscal year, the Capital Projects Fund fund balance was \$62.3 million, an increase of \$6.3 million from the prior year-end balance. In addition to the \$16.8 million in reserves assigned to capital investment, the remaining fund balance is committed to constructing specific capital projects.

During fiscal year 2024-25, major capital projects exceeding \$1.0 million in current-year spending included the following:

- **2024 Annual Street Resurfacing Program - \$1.8 million**
The scope of work involved asphalt concrete pavement section repair ("digouts"), surface milling, asphalt concrete overlay, traffic markings, traffic striping, concrete improvements, and other related tasks. This project included resurfacing a minor arterial street and seven local streets, as well as pavement section repairs on one minor arterial street.

The specific streets addressed were:

Resurfaced Streets:

- Portions of Airport Boulevard (Minor Arterial)
- Channing Road (Local)
- Concord Way (Local)
- Cowan Road (Local)
- El Prado Road (Local)
- Oxford Road (Local)
- Trenton Road (Local)
- Vancouver Avenue (Local)

Pavement Section Repairs:

- Peninsula Avenue (Minor Arterial)
- **2024 Sidewalk & ADA Improvement - \$1.1 million**
Project work consisted of removing and replacing sidewalks, driveways, curb ramps, and curb and gutter, as well as associated restoration work, and removing trees and grinding stumps.
- **Cuernavaca Field Renovation & ADA Improvements - \$2.6 million**
The Cuernavaca Field Renovation and ADA Improvement project converted the natural turf to resilient turf, improved practice and storage areas, and brought facility access into ADA compliance. Due to the site location, the field was often unusable during inclement weather. It is now accessible and usable year-round, increasing play opportunities across three sports (baseball/softball, soccer, and lacrosse) and providing a safer experience for participants. Additionally, the improvements are expected to save more than one million gallons of water annually.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

- **New City Hall – 1440 Chapin - \$1.0 million**
This project consists of tenant improvements for leased office space, including the entire third floor for staff offices, open workstations, meeting rooms, a staff break room, and associated improvements. The tenant area to be improved is approximately 22,400 square feet.
- **Town Square Project - \$3.9 million**
The Town Square is a development of community open space on the former City-owned parking lot E. This project is at the core of Burlingame's Downtown and offers a rare opportunity to create a focal point for the area. The square is intended to be "Burlingame's Living Room," providing a public gathering space in an inviting environment. Based on public feedback, the City Council selected the "The Grove" concept for the Town Square, which includes a grove of London Plane trees arranged in a formal, orthogonal layout across one segment of the Town Square, with one row extending across the entire Town Square from east to west. In addition, a water feature, seating terraces, a small entertainment stage, restroom building, and gaming tables contribute to the inviting atmosphere.

In all, capital project spending totaled \$3.8 million for parks and tree projects, \$6.5 million for facilities projects, \$4.7 million for street-related projects, and about \$0.4 million for storm drain capital improvements.

Storm Drainage Fund

The Storm Drainage Fund was added as a special revenue fund in fiscal year 2009-10 to support needed infrastructure improvements and to pay debt service on revenue bonds issued to fund storm drain capital projects. The voter-approved initiative requires that the funds be accounted for separately, given their intended purpose. The voters approved this fee in May 2009, and the revenue is collected by assessing property tax bills. The storm drain fee will sunset after 30 years.

The storm drain fee generated about \$3.2 million in revenue in fiscal year 2024-25. Revenue bonds issued with a pledge of storm drain fee revenues are used as a funding source for these projects in the Capital Projects Fund. The fund balance increased by over \$1.6 million during the fiscal year due to a positive investment market adjustment and income.

Development Fees Fund

The Development Fees Fund accounts for developers' fees that may be used for public improvements or facilities needed to support approved development projects in the city. This fund includes receipts from impact fees for specific improvements in the Bayfront and North Burlingame areas and parking in-lieu fees.

The fund balance increased from \$22.2 million during the fiscal year to \$29.1 million. Revenues totaled \$9.8 million, of which \$8.7 million was collected from fees, and over \$1.1 million was generated from investment income. The City also transferred \$2.7 million for various projects, including funding for the Police Station ADA & Sally Port Improvement – Phase 1 project (\$0.3 million), the Fire Station 34 HVAC and Miscellaneous Improvements (\$0.4 million), the Old Bayshore Highway Complete Streets project (nearly \$0.7 million), and the Town Square Public Plaza project (\$1.3 million).

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Debt Service Fund

The Debt Service Fund accounts for resources used to repay general long-term debt and records the payment of principal and interest, as well as other expenditures related to debt administration.

Total principal payments on outstanding debt reduced general government debt by about \$3.2 million. The General Fund contributed approximately \$3.7 million to the Debt Service Fund for governmental debt service payments. The Storm Drainage Fund paid nearly \$2.6 million as required to meet obligations related to the Storm Drain Revenue Bonds. Taxable Build America Bonds comprised a significant portion of the 2010 Storm Drain Bonds; the Internal Revenue Service provided an annual interest subsidy of approximately \$139,000 for this issuance. Debt service expenditures represent principal payments, interest charges, and administrative costs, such as fiscal agent fees on existing governmental debt.

The Notes to the Basic Financial Statements under Long-Term Debt (Note 7) provide a more detailed description of the City's outstanding debt and the long-term obligations associated with each issue.

Non-Major Governmental Funds

Fiscal year 2024-25 marked the seventh full year of funding from SB 1, the State's 2017 Road Repair and Accountability Act. Gas Tax revenues increased by nearly \$70,000 to over \$1.8 million. Measure A and Measure W revenues remain flat from the prior year.

Non-major governmental fund balances in total increased by approximately \$0.6 million, or 6.0%, in fiscal year 2024-25. As most non-major funds are intended to fund capital projects, it is fitting that they accumulate to significant amounts before being appropriated to specific capital projects. For example, the annual expenditures of Measure A and Gas Tax Funds account for most of the City's non-major governmental funds' financing uses.

Proprietary Funds

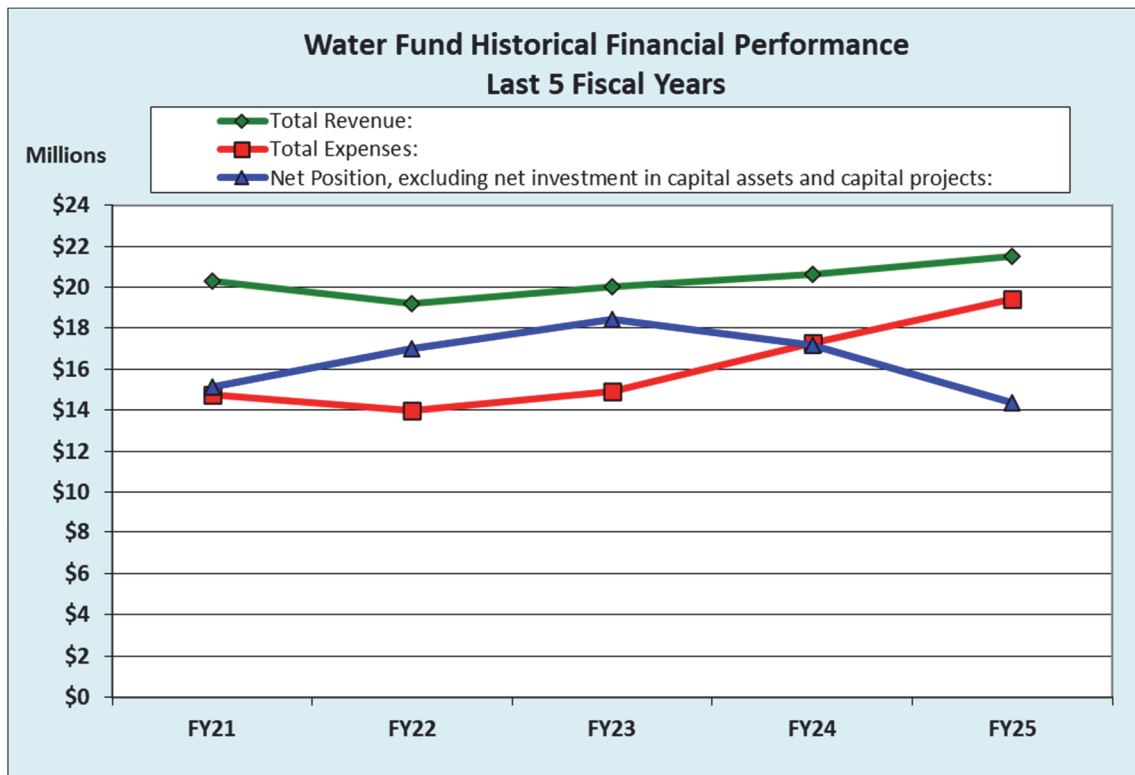
The City's proprietary fund statements provide the same information in government-wide financial statements. Proprietary funds consist of the City's six enterprise funds (Water, Sewer, Solid Waste, Landfill, Parking, and the Building Enterprise funds) and seven Internal Service Funds (General Liability, Workers' Compensation, Facilities Services, Equipment Services, OPEB, Information Technology Services, and Employment Insurance funds). Operations of the City's Enterprise funds are accounted for as business activities.

Total Enterprise Funds (Amounts In Millions)					
Fund Description	6/30/2025 Net Position	6/30/2025 Net Investment in Capital Assets	7/1/2024 Net Position	7/1/2024 Net Investment in Capital Assets	Yr-over-Yr Change - Net Position
Water	\$53.44	\$33.47	52.75	29.95	\$0.68
Sewer	86.18	53.88	80.65	51.66	5.53
Solid Waste	3.35	-	3.10	-	0.26
Landfill	0.95	-	0.61	-	0.34
Parking	35.08	22.15	34.19	22.20	0.89
Building	21.85	0.02	20.09	0.03	1.76
Total	\$200.85	\$109.52	\$191.39	\$103.83	\$9.46

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Water Fund

The Water Fund continues to maintain a stable financial position despite considerable variability in water consumption over the past few years. Assisted by 7.5% rate increases over three consecutive years, with the last approved rate increase effective January 1, 2019, the water utility's net position increased steadily over time. Operating revenues for the Water Fund increased by nearly \$1.0 million (5.1%) during the fiscal year, while operating expenditures increased by over \$2.2 million (13.2%). The City continues to invest in updates to the aging water system. Total spending on capital projects exceeded \$4.0 million. This included nearly \$3.6 million for the North Burlingame Park Subdivision Water Main Replacement, Phase Four – South El Camino Real project, \$196,000 for the North Burlingame Terrace Water Main project, and \$152,000 for the Sisters of Mercy Pump Station project.



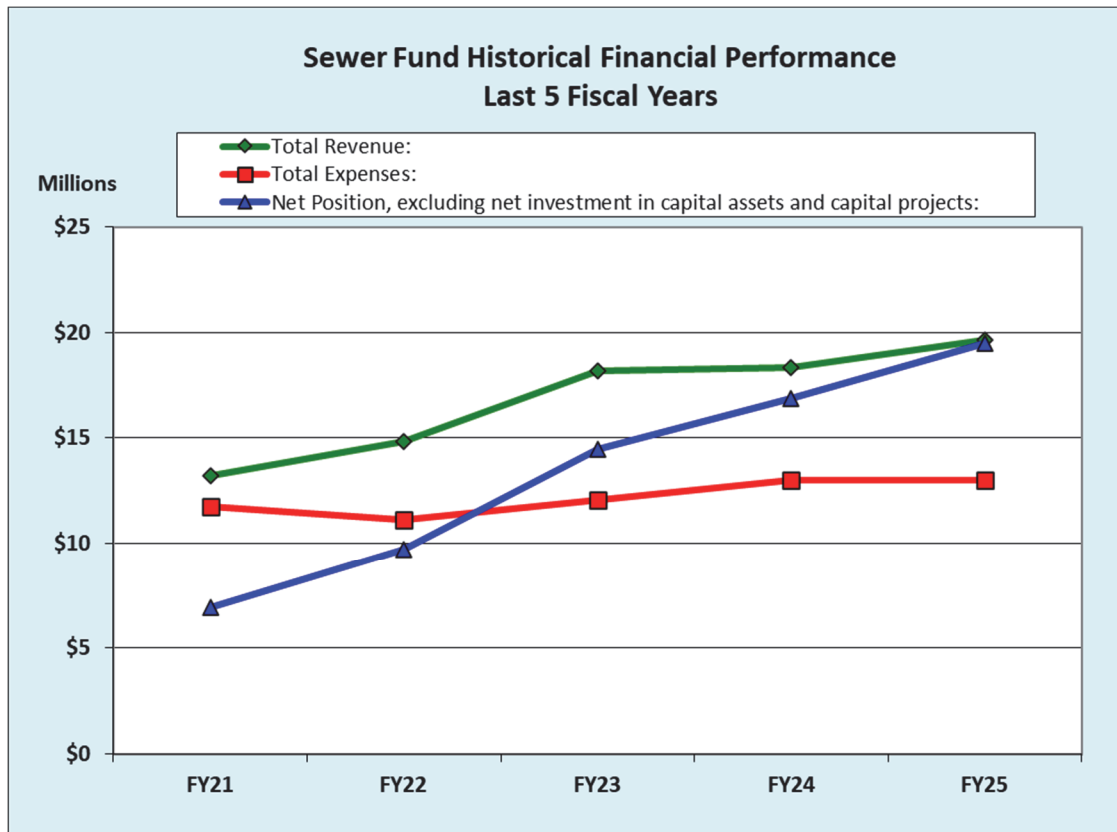
The Water Enterprise Fund's net position increased by nearly \$0.7 million to \$53.4 million. The largest portion (\$33.5 million) relates to net investment in capital assets, accounting for 62.6% of the utility's total net position. Approximately 55.94% of the fund's net annual revenue is irrevocably pledged to the prompt payment of debt service related to future principal and interest payments on previously issued revenue bonds.

Sewer Fund

The Sewer Fund remains financially stable, with an increase in the fund's overall net position (including capital assets) of \$5.5 million to \$86.2 million, primarily driven by personnel and contract savings and increased revenue from sewer service charges. The largest portion of the net position (\$53.9 million) is attributable to the net investment in capital assets, which represents 62.5% of the utility's total net position. Approximately 29.18% of the fund's net revenue is irrevocably pledged to the prompt payment of debt service relating to future principal and interest payments on previously issued revenue bonds.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

A large portion of sewer charges is based on water consumption and its rates. The revenues from sewer service charges increased by \$1.1 million, or 6.3%, for the year. The most recent City Council-approved rates (average rate increases of 9% for the three calendar years beginning January 1, 2022) will increase the fund's net investment in capital assets through improvements to the City's wastewater collection system and treatment plant, which will advance the fund's position further in the near future.



As with the Water Fund, the Sewer Fund will also finance future capital improvements on a *pay-as-you-go* basis. Total actual spending on capital projects exceeded \$3.7 million, including \$3.2 million on the 1740 Rollins Road Pump Station Force Main project and \$100,000 on the Sewer Discharge Reduction Reclaimed Water Supply project.

Parking Fund

The objectives of the Parking Fund are to cover the costs of operating and improving the City's parking districts and to produce sufficient revenue to re-invest in capital assets of the Burlingame Avenue and Broadway shopping districts, which are served by the City's parking lots. The fund's overall ending net position, including capital assets, showed an increase of \$0.9 million compared to the prior year's ending net position of \$34.2 million.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Solid Waste and Landfill Funds

The City is a member of the South Bayside Waste Management Authority (SBWMA), a joint powers authority that contracts with external vendors for solid waste collection and disposal, as well as for the collection of inert recyclable materials, yard waste, and other organic materials. The Waste Management Fund covers certain other services the City provides or pays for directly. The costs of these services, including cleaning sidewalks, parking lots, garbage cans/liners, hazardous waste disposal, and street sweeping, are included in garbage collection rates for residential and commercial customers. Operating revenues of the Waste Management Fund totaled \$0.9 million in fiscal year 2024-25. Despite a 9% increase in solid waste rates as of January 1, 2025, fee revenues were flat.

The Waste Management Fund's unrestricted net position reflects a rate stabilization reserve built largely from prior-year surpluses, serving as a buffer against large rate swings. The City Council approved five-year rate increases effective January 1, 2024, to mitigate continued draws on the rate stabilization reserve and bolster the fund in anticipation of cost increases in waste management contracts.

A surcharge on garbage collection rates funds the costs associated with the long-term monitoring requirements for the City's former landfill. The surcharge yielded over \$0.6 million in fiscal year 2024-25, an increase of 11.7% from the prior-year revenues for the fund. On an annual basis, the City reports to CalRecycle (Department of Resources Recycling and Recovery) the estimated costs of post-closure and corrective action, adjusted for inflation, and current-year expenditures for mitigation.

Internal Service Funds

The Internal Service Funds (ISFs) are allocated among the City's various functions and are therefore considered to account for governmental activities for financial statement purposes. The Internal Service Funds, as a whole, experienced an increase in net position of nearly \$6.3 million, but this amount reflects a wide variation in the change in net position of the various funds. All the ISF Funds showed a favorable improved net position from operations.

General Fund Budgetary Highlights

Detailed information on budget variances can be found in the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual. The adopted fiscal year 2024-25 General Fund budget assumed a continued recovery in operating revenue from fiscal year 2022-23 based on the outlook of economic recovery.

The total net revenue estimates were adjusted upward (by \$2.9 million total) at mid-year to reflect the continued recovery of General Fund receipts. Significant upward adjustments were needed for property taxes (\$2.5 million), charges for services revenue (\$0.9 million), and interest income (\$0.7 million), which were offset by downward adjustments of transient occupancy (hotel) tax (\$1.0 million) and \$0.8 million of lease revenue. An additional total revenue increase of \$3.5 million was realized at year-end, which included \$0.5 million in property taxes, \$0.4 million in grants, and \$4.1 million in investment market adjustment, which were partially offset by a further reduction of TOT (\$1.4 million).

City of Burlingame Historical General Fund Revenues (Amounts In Millions)					
	FY21	FY22	FY23	FY24	FY25
Total Revenue	\$62.12	\$69.99	\$83.58	\$89.50	\$93.70
Dollar Change	(10.04)	7.87	13.59	5.92	4.20
Percentage Change	-13.91%	12.67%	19.41%	7.08%	4.70%

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Performance of the three primary revenue sources compared to the adjusted budget is as follows:

- Property tax revenues, at \$34.5 million, came in over the amended budget by over \$0.5 million (about 1.5%), reflecting an increase of nearly 9.2% over prior-year results. The secured property tax roll was well established before the fiscal year budget was developed; this revenue is only adjusted at mid-year for minor variances.
- Transient occupancy tax (TOT) revenues ended the year at \$0.9 million, or 4.6%, higher than the prior year. The increase was a result of continued recovery from the COVID-19 pandemic and improved tourism and conventions held in the area. Combined occupancy rate of the first six months of the calendar year was 77.9%, a slight increase from last June, while the average room rate was \$186, a 4.5% increase over the prior year.
- Sales and use tax revenues include the 1% local sales tax and Measure I transaction tax. The City included \$14.1 million for the 1% local sales tax revenue line item in its adopted fiscal year 2024-25 budget. By the middle of the year, it appeared that an upward adjustment to the sales tax revenue budget would be needed (nearly \$0.5 million). Sales and use tax revenues ended the year at \$14.0 million, approximately \$0.1 million less than in the prior year and roughly \$0.6 million lower than forecasted in the adjusted budget.
- Over \$3.1 million of total receipts for fiscal year 2024-25 resulted from the seventh full year of the City's Measure I transaction tax - a retail transaction and use tax of ¼ percent effective April 1, 2018. This tax fared slightly better than point-of-sale results because it is assessed at the place of delivery for online sales rather than being allocated to all cities from the County Pool.

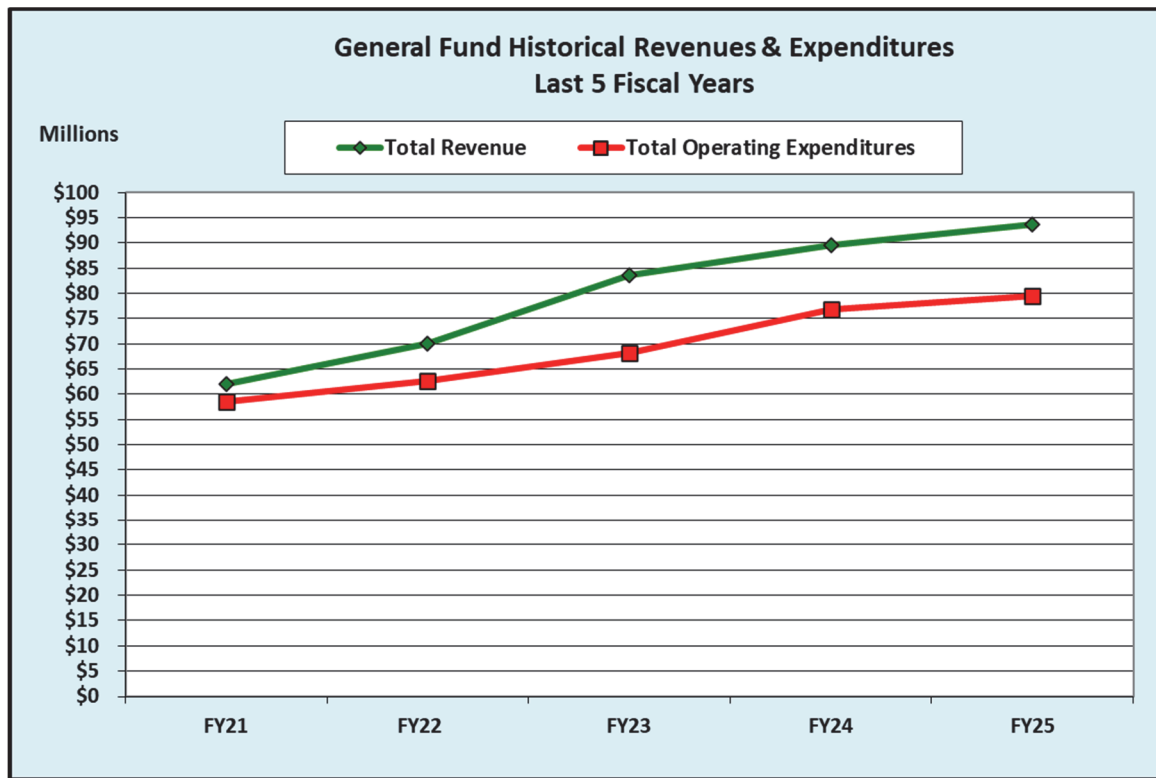
Burlingame's fiscal health relies largely on growth in assessed property values, the health of the travel and tourism industry, and increased consumer confidence. Although property taxes are expected to remain relatively strong over the next fiscal year, high inflation and trade wars will likely lead to a flat or moderate decline in sales tax revenue for the remainder of 2025.

In recent years, General Fund expenditures increased consistently, as shown below.

City of Burlingame Historical General Fund Expenditures (Amounts In Millions)					
	FY21	FY22	FY23	FY24	FY25
Total Operating Expenditures	\$58.44	\$62.72	\$68.25	\$76.77	\$79.55
Dollar Change	0.24	4.28	5.53	8.52	2.78
Percentage Change	0.41%	7.32%	8.81%	12.49%	3.62%

The fiscal year 2024-25 amended General Fund budget assumed operating expenditures of \$84.4 million, an increase of 6.0% from the prior year. During the fiscal year, the City had few significant budget adjustments; budgets were closely monitored Citywide, as reflected in positive budget variances in all functional areas except Recreation and Aquatics. Increased demand for recreation classes led to higher instructor payments, which were offset by additional program revenue. Actual expenditures totaled \$79.5 million; total budgetary (expenditure) savings for the fund were over \$4.8 million, or 5.7%.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



General Fund Reserve Policy

The chart below illustrates the amount of General Fund fund balance assigned as various reserves for the past five years. In January 2015, the City Council adopted a General Fund Reserve Policy that established reserve levels based on an analysis of risks specific to the City, including vulnerability to extreme events and public safety concerns; revenue source stability; expenditure volatility; liquidity; leverage; and the adequacy of infrastructure funding. The policy established targeted levels for an Economic Stability Reserve, a Catastrophic Reserve (24% and 2%-9% of budgeted revenues, respectively), and a Contingency Reserve amount of \$0.5 million. Based on an updated risk analysis, the policy was revised in October 2015 to change the initial range for the Catastrophic Reserve to a fixed \$2 million. The City Council adopts the actual reserve levels by resolution with each annual budget, but the levels may be modified by resolution throughout the year based on recommendations by the Finance Director as economic forecasts or other changes dictate. Each reserve is reported as an assignment of the City's General Fund fund balance.

City of Burlingame					
City Council Assigned General Fund Reserves					
(Amounts In Millions)					
	FY21	FY22	FY23	FY24	FY25
Economic Stability Reserve	\$14.36	\$16.44	\$18.12	\$20.07	\$21.66
Catastrophic Reserve	2.00	2.00	2.00	2.00	2.00
Contingency Reserve	0.50	0.50	0.50	0.50	0.50
Total Reserves	16.86	18.94	20.62	22.57	24.16
Encumbrances and Reappropriations	0.57	0.01	0.75	1.61	3.09
Total Assigned Fund Balance	\$17.43	\$18.95	\$21.36	\$24.18	\$27.24

CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

As a measure of the General Fund's liquidity, it is helpful to compare its unrestricted fund balance (including commitments and assignments of fund balance) to annual operating expenditures. As of June 30, 2025, the unrestricted fund balance of \$35.3 million (total fund balance of \$57.6 million less non-spendable and restricted fund balance of \$22.4 million) represents 44.3% of General Fund operating expenditures of \$79.5 million.

The General Fund fund balance consistently increased in recent years until the pandemic hit in fiscal year 2019-20. A \$0.2 million increase in fiscal year 2024-25 signals a continued positive recovery.

City of Burlingame Historical General Fund Ending Fund Balance (Spendable) (Amounts in Millions)					
	FY21	FY22	FY23	FY24	FY25
Ending Spendable Fund Balance	\$45.19	\$47.28	\$54.68	\$57.28	\$57.57
Dollar Change	0.37	2.09	7.40	2.60	0.29
% of Expenses:	77.32%	75.39%	80.13%	74.62%	72.37%

Capital Assets and Debt Administration

Capital Assets

Improvements that lengthen an asset's useful life are not capitalized unless the improvements increase the asset's service potential. Furthermore, maintenance costs are expensed in the period in which they are incurred. The City maintains an inventory of roads and parking lots and conducts periodic assessments to determine condition levels. The City uses the modified approach for roads and parking lots as an alternative to depreciation. Additional information can be found in the ACFR's Required Supplementary Information, Note 4 - Modified Approach for the City's Infrastructure.

As reported in the Statement of Net Position, capital assets for the governmental and business-type activities totaled \$356.1 million on June 30, 2025, net of depreciation, increasing 4.1% from the prior fiscal year. The investments in capital assets include land, construction in progress, buildings, improvements, machinery, equipment, major software systems, facilities, roads, streets, utility infrastructure, and storm drains.

Capital Assets, Net of Accumulated Depreciation June 30, 2025 (Amounts in Millions)									
	Governmental Activities			Business-Type Activities			Total		
	2025	2024	% Change	2025	2024	% Change	2025	2024	% Change
Land and other assets not being depreciated	\$60.81	\$56.76	7.13%	\$17.72	\$9.46	87.4%	\$78.53	\$66.22	18.59%
Facilities, infrastructure and equipment	\$165.94	\$158.80	4.50%	\$111.59	\$117.15	-4.7%	\$277.53	\$275.95	0.57%
Total	\$226.75	\$215.56	5.2%	\$129.31	\$126.61	2.1%	\$356.06	\$342.17	4.1%

All depreciable capital assets were depreciated from their acquisition/completion date to the end of the current fiscal year for the government-wide financial statement presentation. Governmental fund financial statements record capital asset purchases as expenditures in the year of purchase. Ongoing projects are accounted for as "construction in progress." Additional information about Capital Assets can be found in the Notes to the Basic Financial Statements under Note 6 – Capital Assets.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Long-Term Obligations

As of June 30, 2025, the City had total long-term obligations of \$232.6 million, a decrease of \$12.0 million from the prior year. The decrease is largely due to reductions in bond balances (\$7.6 million), net OPEB (\$1.8 million), and net pension (\$3.0 million) liabilities.

\$29.6 million of the City's total long-term outstanding debt relates to storm drain revenue bond financing; \$34.0 million is 2019 Lease Revenue Bonds for the City's New Community Center project; \$11.9 million is for other governmental activities. The remainder (\$19.5 million) of the long-term outstanding debt is comprised of loans and revenue bonds previously issued to support various capital projects overseen by the Water and Sewer enterprises. Short of additional debt financing, bonded debt obligations will decrease over time as principal amounts are paid off.

Outstanding Long-Term Obligations June 30, 2025 (Amounts in Millions)								
	Governmental Activities			Business-Type Activities			Total	
	2025	2024	% Change	2025	2024	% Change	2025	2024
Bonds Due in More than One Year	\$73.23	\$76.54	-4.3%	\$16.14	\$20.18	-20.0%	\$89.37	\$96.72
Bonds Due Within One Year	2.24	2.61	-14.4%	3.39	3.23	5.1%	5.63	5.84
Claims and Litigation	8.40	8.46	-0.7%	-	-	0.0%	8.40	8.46
Landfill Closure	-	-	0.0%	3.99	3.73	7.0%	3.99	3.73
Net OPEB Liability	27.90	29.39	-5.1%	6.68	6.97	-4.0%	34.59	36.36
Net Pension Liability	73.89	75.88	-2.6%	13.50	14.56	-7.3%	87.39	90.44
Compensated Absences	2.81	2.65	6.2%	0.42	0.42	2.3%	3.24	3.07
Total:	\$188.47	\$195.53	-3.6%	\$44.13	\$49.08	-10.1%	\$232.60	\$244.61

In addition, the City has several other long-term obligations. Landfill closure and post-closure liabilities are determined to capture the estimated costs of municipal solid waste landfill closure and post-closure care, as required by federal and state regulations. Funds are set aside to ensure adequate funding for post-closure costs of the former Burlingame landfill, including the annual monitoring and maintenance costs as incurred. Funding for this liability is currently provided through a portion of solid waste rates charged to City ratepayers.

Additional information about the City's long-term debt and other obligations can be found in the Notes to the Basic Financial Statements under Note 7 – Long-Term Debt and Note 8 – Other Long-Term Liabilities.

The City's OPEB liabilities, which comprise retiree healthcare benefits, continue to be funded through a payroll surcharge. The cost of the City's retiree medical benefits program is allocated to all operations as a percentage of payroll, calculated to yield the actuarially determined contribution (including both normal and accrued liability costs) of the plan. The proceeds of this surcharge are first used to pay actual retiree medical costs on a pay-as-you-go basis; the remaining funds are deposited into a trust account established in 2013 to fund OPEB liabilities. At the end of the fiscal year, a balance of \$34.8 million remained in the California Employers' Retiree Benefit Trust, offsetting the total liability. As no new members will be added to this benefit plan, the City now offers a defined contribution plan for retiree health costs to its employees. This liability will be fully funded in 13 years. As of June 30, 2025, the City's net OPEB liability was \$34.6 million.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The City's Statement of Net Position also reflects unfunded pension liabilities. Governmental accounting standards require the City to compute its unfunded liabilities by ascertaining "net pension liability," or the difference between a plan's total pension liability and the assets available to pay for such liability at a specific time. As of June 30, 2025, the City's net pension liability was \$87.4 million, a decrease of \$3.0 million from the prior year's \$90.4 million. In response to sharply increasing employer rates to support CalPERS pensions and concern over growing pension liabilities, the City implemented a plan, beginning in fiscal year 2017-18, to annually set aside additional funding in a \$115 Trust. The plan is designed to protect the City's fiscal health in future years by setting aside funds for use when the City's required CalPERS contribution rates rise above pre-established threshold rates. As of June 30, 2025, the balance in the pension trust fund was \$26.6 million. Unlike contributions to the OPEB trust fund, these contributions are not shown as expenditures and cannot be used to offset the liability as shown in the financial statements. Instead, the pension trust fund amounts are reflected in each operating fund as restricted cash and investments.

The Notes to the Basic Financial Statements, under Notes 10 and 11, respectively, provide a detailed explanation of the changes in pension liabilities associated with the City's Safety and Miscellaneous Employee pension plans.

Economic Factors and Next Year's Budget and Rates

The following factors were taken into consideration in preparing the fiscal year 2025-26 budget:

Revenue Projections: Each year, City staff prepares a five-year forecast of General Fund revenues and expenditures during the early stages of the budget process. In light of the waning presence of the coronavirus and related economic impacts, the adopted fiscal year 2025-26 budget anticipated a continuing improvement from fiscal year 2024-25 (approximately \$2.3 million, or 2.5%) in total General Fund revenues. The City's major revenues, including property tax and TOT, are expected to continue growing in the 2025-26 fiscal year. Sales tax revenue is expected to slow after substantial gains in fiscal years 2020-21 and 2021-22. The budget's revenue projections were based on fiscal year 2024-25 estimates. While showing recovery on multiple fronts, the timing and strength of the City's revenue recovery remain uncertain, especially with persistent economic headwinds driven by inflationary pressures, tariff concerns, and rising unemployment.

Expenditures: General Fund operating expenditures are expected to grow approximately 1.7% compared to the fiscal year 2024-25 amended budget. Fiscal year 2025-26 departmental budgets of \$85.8 million provided for a full year of full-time staffing. Increases in pension costs are also included in the adopted budget (reflected not only in the City's personnel budgets but also in the cost of Central County Fire Department services). Since personnel costs represent a significant investment in the City's current and future resources, requests for increases in full-time equivalent (FTE) positions are carefully monitored to ensure they provide the best ongoing value for the City.

In light of the continued recovery anticipated for fiscal year 2025-26, the budget for capital projects was cautiously planned. Work on a large number of previously funded capital projects will continue. Also, to minimize the annual General Fund operating deficit, no contribution to the Capital Investment Reserve was included in the fiscal year 2025-26 budget. (The last General Fund contribution to the Capital Investment Reserve was \$6.5 million in fiscal year 2019-20.) Additionally, the General Fund continues to transfer \$2.0 million for debt service on the 2019 Lease Revenue Bond issuance.

**CITY OF BURLINGAME, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

However, the 2025-26 fiscal year budget does provide for all day-to-day operations and capital needs required to sustain high-quality services. Funding of retiree medical obligations is also included in the departmental budgets for fiscal year 2025-26. The City Council decided to temporarily forgo contributions to the City's \$115 pension liabilities trust fund for the second year, while the local economy continues to recover. In all, the budgeted deficit was limited to \$3.6 million, well within the \$8.0 million unassigned General Fund balance as of June 30, 2025.

General Fund Capital Improvements: The City Council earmarked over \$10.0 million in the 2025-26 fiscal year General Fund budget for capital improvements in the Five-Year CIP Plan. This funding covers the City's immediate capital needs, including \$1.0 million for street and sidewalk infrastructure improvements, nearly \$1.9 million for Parks and Recreation-related improvements, \$3.0 million for various facilities improvements, and \$4.0 million for the New City Hall project.

Water and Sewer Rate Adjustments: The City conducted a water utility rate study in the fall of 2016. Based on the increased cost of water purchased from the San Francisco Public Utilities Commission (SFPUC), and to upgrade and maintain the aging water system, the City Council approved water rate increases for each year beginning January 1, 2017, 2018, and 2019. Rates for the sewer utility had not been adjusted since 2012. At its meeting on November 15, 2021, the City Council conducted a public hearing and approved an overall composite sewer rate increase of approximately 9.0% annually for 2022, 2023, and 2024. Beyond these utility rate increases, no further rate adjustments have been approved.

Solid Waste Rate Adjustments: The City provides solid waste services through a joint exercise of powers agreement (JPA) and a franchise with a private contractor. Rates are adjusted annually based on updated costs of solid waste collection and material processing services, including landfill post-closure costs, street sweeping, recycling, and other diversion programs. Due to significant upheaval in the global market conditions for recyclables, changes in both commercial and residential waste streams, a scarcity of landfill options, and increased diversion requirements and environmental regulation from the State, the cost of solid waste services has risen in recent years. Further cost increases were anticipated under a restated 15-year franchise agreement for solid waste collection services, effective January 1, 2021. The City Council approved a five-year rate increase for calendar years 2024 to 2028 on December 4, 2023, to prevent the depletion of the rate stabilization reserve within the City's Solid Waste Fund.

Requests for Information

This financial report is designed to provide Burlingame's residents, taxpayers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Individuals are encouraged to make inquiries or requests for additional financial information at:

Burlingame Department of Finance
City Hall
501 Primrose Road,
Burlingame, CA 94010
(650) 558-7200

CITY OF BURLINGAME, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 183,243,571	\$ 104,859,445	\$ 288,103,016
Receivables (net of uncollectible amounts)			
Due from consumers		7,788,516	7,788,516
Due from other governments	543,451		543,451
Accounts receivables		74,221	74,221
Loans	1,432,138		1,432,138
Other receivables	10,957,684	148,672	11,106,356
Inventory	194,684		194,684
Prepaid items and deposits	242,169		242,169
Cash and investments, restricted	33,500,777	4,080,988	37,581,765
Capital assets:			
Land and other assets not being depreciated	60,808,123	17,721,866	78,529,989
Facilities, infrastructure, and equipment, net of depreciation	165,937,707	111,593,101	277,530,808
Total assets	456,860,304	246,266,809	703,127,113
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount of bond refunding		464,766	464,766
Deferred outflows related to OPEB	15,078,328	3,612,090	18,690,418
Deferred outflows related to pension	18,692,918	2,897,286	21,590,204
Total deferred outflows of resources	33,771,246	6,974,142	40,745,388
LIABILITIES			
Accounts payable	7,669,242	3,207,588	10,876,830
Retentions payable	500,476	147,940	648,416
Accrued payroll	1,083,237	358,066	1,441,303
Accrued interest	41,027	234,390	275,417
Deposits	3,949,229	3,163,687	7,112,916
Unearned revenue	1,071,821	952,455	2,024,276
Claims and litigation			
Due in one year	2,352,000		2,352,000
Due in more than one year	6,044,000		6,044,000
Compensated absences			
Due in one year	518,885	90,099	608,984
Due in more than one year	2,291,092	341,973	2,633,065
Landfill closure and post closure costs			
Due in one year		266,088	266,088
Due in more than one year		3,725,234	3,725,234
Long-term debt			
Due in one year	2,237,816	3,392,801	5,630,617
Due in more than one year	73,232,910	16,137,229	89,370,139
Net OPEB liability, due in more than one year	27,902,816	6,684,270	34,587,086
Net pension liability, due in more than one year	73,891,002	13,496,467	87,387,469
Total liabilities	202,785,553	52,198,287	254,983,840
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to OPEB	801,256	191,910	993,166
Deferred inflows related to pension	1,002,768		1,002,768
Total deferred inflows of resources	1,804,024	191,910	1,995,934
NET POSITION			
Net investment in capital assets	158,912,312	109,522,919	268,435,231
Restricted for:			
Pension and employee benefit program	22,989,076	3,622,857	26,611,933
Debt service	1,984,487	458,131	2,442,618
Capital projects	12,488,116	18,578,178	31,066,294
Development fees	29,085,842		29,085,842
Burlingame Avenue Special Assessment District	488,988		488,988
Shuttle, Access TV and community programs	3,117,239		3,117,239
Street and sidewalk repair and maintenance	7,472,687		7,472,687
Total restricted net position	<u>77,626,435</u>	<u>22,659,166</u>	<u>100,285,601</u>
Unrestricted	49,503,226	68,668,669	118,171,895
Total net position	\$ 286,041,973	\$ 200,850,754	\$ 486,892,727

See accompanying Notes to the Basic Financial Statements

**CITY OF BURLINGAME, CALIFORNIA
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 8,340,922	\$ 67,128	\$ 63,763	\$ -	\$ 130,891
Public safety	39,747,170	1,710,023	301,095		2,011,118
Public works	13,594,209	4,077,047	115,548	2,023,988	6,216,583
Community development	3,034,930	9,511,155		1,248,490	10,759,645
Parks, recreation, and library	25,023,087	6,071,544	340,961	686,938	7,099,443
Shuttle operations	68,250		59,622		59,622
Interest	2,631,028				
Total governmental activities	92,439,596	21,436,897	880,989	3,959,416	26,277,302
Business-type activities:					
Water	19,434,586	20,181,404			20,181,404
Sewer	13,004,798	17,928,362			17,928,362
Solid waste	793,114	646,359			646,359
Landfill	525,652	627,795			627,795
Parking	1,917,456	2,714,021			2,714,021
Building	4,019,043	4,522,664			4,522,664
Total business-type activities	39,694,649	46,620,605			46,620,605
Total government-wide	\$ 132,134,245	\$ 68,057,502	\$ 880,989	\$ 3,959,416	\$ 72,897,907

General revenues:

Taxes:

Property taxes

Sales taxes

Transient occupancy tax

Other taxes

Other general revenue

Total general revenues

Investment income (expense)

Transfers

Total general revenues and transfers

Change in net position

Net position - beginning

Net position - ending

See accompanying Notes to the Basic Financial Statements

**Net (Expense) Revenue and
Changes in Net Position**

Governmental Activities	Business-type Activities	Total
\$ (8,210,031)	\$ -	\$ (8,210,031)
(37,736,052)		(37,736,052)
(7,377,626)		(7,377,626)
7,724,715		7,724,715
(17,923,644)		(17,923,644)
(8,628)		(8,628)
(2,631,028)		(2,631,028)
(66,162,294)		(66,162,294)
	746,818	746,818
	4,923,564	4,923,564
	(146,755)	(146,755)
	102,143	102,143
	796,565	796,565
	503,621	503,621
	6,925,956	6,925,956
(66,162,294)	6,925,956	(59,236,338)
34,450,698		34,450,698
18,883,603		18,883,603
20,168,534		20,168,534
6,085,663		6,085,663
937,150	687,452	1,624,602
80,525,648	687,452	81,213,100
11,506,896	5,469,872	16,976,768
3,624,480	(3,624,480)	
95,657,024	2,532,844	98,189,868
29,494,730	9,458,800	38,953,530
256,547,243	191,391,954	447,939,197
\$ 286,041,973	\$ 200,850,754	\$ 486,892,727



Annual Comprehensive Financial Report

June 30, 2025

GOVERNMENTAL FUND FINANCIAL STATEMENTS

The **General Fund** accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in another fund. The General Fund supports essential City services such as police and fire protection, street maintenance, libraries, parks, and recreation.

The **Storm Drainage Fund** accounts for the storm drainage fees collected due to an assessment approved by the majority of the parcel owners in the City voting at a special election on May 5, 2009.

The **Development Fees Fund** accounts for developers' fees that may be used for public improvements or facilities needed to support approved development projects in the City. This fund includes receipts from impact fees for specific improvement in the Bayfront and North Burlingame areas, as well as parking in lieu fees.

The **Debt Service Fund** accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs (other than those paid for by the Proprietary Funds).

The **Capital Projects Fund** accounts for City capital projects funded by the General Fund or other governmental funds, or any projects funded by multiple sources.

CITY OF BURLINGAME, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2025

	General Fund	Storm Drainage Fund	Development Fees Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets:							
Cash and investments	\$ 33,306,437	\$ 12,388,087	\$ 27,656,871	\$ 592,084	\$ 63,794,170	\$ 10,951,118	\$ 148,688,767
Accounts receivable	8,692,943	105,990		69,928	1,532,952	547,155	10,948,968
Due from other governments	543,451						543,451
Prepays and deposits	73,754				168,415		242,169
Loan receivable			1,432,138				1,432,138
Cash and investments, restricted	22,310,544			10,511,701			32,822,245
Total assets	<u>\$ 64,927,129</u>	<u>\$ 12,494,077</u>	<u>\$ 29,089,009</u>	<u>\$ 11,173,713</u>	<u>\$ 65,495,537</u>	<u>\$ 11,498,273</u>	<u>\$ 194,677,738</u>
Liabilities:							
Accounts payable	\$ 1,581,317	\$ -	\$ 3,167	\$ 3,375,346	\$ 2,292,709	\$ 51,422	\$ 7,303,961
Retentions payable	19,619				480,857		500,476
Accrued payroll	1,160,520				30,704	983	1,192,207
Deposits	3,949,229						3,949,229
Unearned revenue	497,491				300,370	273,960	1,071,821
Total liabilities	<u>7,208,176</u>		<u>3,167</u>	<u>3,375,346</u>	<u>3,104,640</u>	<u>326,365</u>	<u>14,017,694</u>
Deferred Inflows:							
Unavailable revenue	74,761	5,961		73,106	101,605	92,994	348,427
Total deferred inflows	<u>74,761</u>	<u>5,961</u>		<u>73,106</u>	<u>101,605</u>	<u>92,994</u>	<u>348,427</u>
Fund Balances:							
Nonspendable	73,754				168,415		242,169
Restricted	22,310,544	12,488,116	29,085,842	7,725,261		11,078,914	82,688,677
Committed					45,353,207		45,353,207
Assigned	27,243,570				16,767,670		44,011,240
Unassigned	8,016,324						8,016,324
Total fund balances	<u>57,644,192</u>	<u>12,488,116</u>	<u>29,085,842</u>	<u>7,725,261</u>	<u>62,289,292</u>	<u>11,078,914</u>	<u>180,311,617</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 64,927,129</u>	<u>\$ 12,494,077</u>	<u>\$ 29,089,009</u>	<u>\$ 11,173,713</u>	<u>\$ 65,495,537</u>	<u>\$ 11,498,273</u>	<u>\$ 194,677,738</u>

See accompanying Notes to the Basic Financial Statements

CITY OF BURLINGAME, CALIFORNIA
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
JUNE 30, 2025

Fund balance – total governmental funds	\$	180,311,617
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Amounts reported for governmental activities in the statement of net position are different because:

CAPITAL ASSETS

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		225,115,111
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LONG TERM LIABILITIES

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Compensated absences		(2,760,791)
Long-term debt		(75,470,726)
Net OPEB Liability		(26,613,426)
Net Pension Liability		(71,654,217)

Interest on long-term debt is not accrued in the funds, but rather is recognized as an expenditure when due.		(41,027)
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DEFERRED INFLOWS AND OUTFLOWS

Deferred outflows are not current assets or financial resources; and deferred inflows are not due and payable in the current period and are therefore not reported in the governmental funds

Deferred Outflows		32,594,316
Deferred Inflows		(1,767,024)
Unavailable revenues		348,427

ALLOCATION OF INTERNAL SERVICES FUND NET POSITION

Internal service funds are used by management to charge the costs of fleet management, building maintenance, information technology and risk management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statements of net position.

Net position of governmental activities	\$	286,041,973
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See accompanying Notes to the Basic Financial Statements.

**CITY OF BURLINGAME, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	General Fund	Storm Drainage Fund	Development Fees Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:							
Property taxes	\$ 34,450,698	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,450,698
Sales and use taxes	17,385,517						17,385,517
Transient occupancy taxes	20,168,534						20,168,534
Other taxes	4,298,590						4,298,590
Charges for services - fees	8,228,052	3,239,851	8,704,825			401,245	20,573,973
Charges for services - licenses and permits	86,202						86,202
Fines, forfeitures, and penalties	874,106						874,106
Investment income	6,696,234	975,714	1,113,092	396,862		425,526	9,607,428
Intergovernmental taxes	49,261					3,235,898	3,285,159
Grants and subventions	572,380				2,633,491	199,064	3,404,935
Other revenue	891,928				1,286,591	212,058	2,390,577
Total revenues	93,701,502	4,215,565	9,817,917	396,862	3,920,082	4,473,791	116,525,719
EXPENDITURES:							
Current:							
General government	8,044,119			25,319		45,136	8,114,574
Public safety	36,907,624					40,273	36,947,897
Public works	9,002,305					4,227	9,006,532
Community development	2,805,373		222,000				3,027,373
Parks, recreation, and library	22,491,300					394,112	22,885,412
Shuttle operations						68,250	68,250
Capital Outlay	295,344				18,359,531	159,411	18,814,286
Debt service:							
Principal				3,150,338			3,150,338
Interest				3,172,862			3,172,862
Total expenditures	79,546,065		222,000	6,348,519	18,359,531	711,409	105,187,524
REVENUES OVER (UNDER) EXPENDITURES	14,155,437	4,215,565	9,595,917	(5,951,657)	(14,439,449)	3,762,382	11,338,195
OTHER FINANCING SOURCES (USES):							
Transfers in	2,440,480			6,243,775	20,755,906	52,300	29,492,461
Transfer out	(16,359,532)	(2,608,583)	(2,700,000)	(1,008,866)		(3,191,000)	(25,867,981)
Total other financing sources (uses)	(13,919,052)	(2,608,583)	(2,700,000)	5,234,909	20,755,906	(3,138,700)	3,624,480
Net change in fund balances	236,385	1,606,982	6,895,917	(716,748)	6,316,457	623,682	14,962,675
FUND BALANCES:							
Beginning of year	57,407,807	10,881,134	22,189,925	8,442,009	55,972,835	10,455,232	165,348,942
End of year	<u>\$ 57,644,192</u>	<u>\$ 12,488,116</u>	<u>\$ 29,085,842</u>	<u>\$ 7,725,261</u>	<u>\$ 62,289,292</u>	<u>\$ 11,078,914</u>	<u>\$ 180,311,617</u>

See accompanying Notes to the Basic Financial Statements

**CITY OF BURLINGAME, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES, AND CHANGES IN FUND BALANCES OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Net change in fund balances – total governmental funds	\$ 14,962,675
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Amounts reported for governmental activities in the statement of activities are different because:

CAPITAL ASSETS TRANSACTIONS

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are added back to fund balance	15,900,881
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Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, depreciation expense is deducted from the fund balance.

	(5,132,206)
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LONG TERM DEBT PROCEEDS AND PAYMENTS

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Accrued interest calculated on bonds payable	4,913
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Amortization of bond premium	536,921
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The repayment of the principal of long-term debt consumes the current financial resources of governmental funds. This transaction, however, has no effect on net position:

Principal payments	3,150,338
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ACCRUAL OF NON-CURRENT ITEMS

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

This change reflects a increase in compensated absences that occurred during the year	(151,141)
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Pension Expense	(4,430,500)
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Net other post-employment benefits obligation expense	(1,777,209)
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Unavailable revenues recognized as revenue in prior year	159,159
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ALLOCATION OF INTERNAL SERVICE FUND ACTIVITY

Internal Service funds are used by management to charge the costs of certain activities, such as fleet management, building maintenance, information technology and risk management to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

Change in net position - All Internal Service Funds	6,270,899
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Change in net position of governmental activities	\$ 29,494,730
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See accompanying Notes to the Basic Financial Statements



Annual Comprehensive Financial Report

June 30, 2025

PROPRIETARY FUND FINANCIAL STATEMENTS

The ***Water Fund*** is used to account for the provision of water services to residents of Burlingame and some residents of areas adjacent to the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing, and billing/collections.

The ***Sewer Fund*** is used to account for the provision of sewer services to the residents of Burlingame and some residents of areas adjacent to the City. All activities necessary to provide such services are accounted for in this fund, including administration, operations, maintenance, financing, and billing/collections.

The ***Solid Waste Fund*** is used to account for the provision of solid waste services to the residents of Burlingame, excluding the revenues and expenditures associated with the collection, processing, and disposal of solid waste and recyclable materials which are provided by solid waste contractors servicing member cities of the South Bay Waste Management Authority.

The ***Landfill Fund*** is used to account for the landfill closure costs and post-closure monitoring services.

The ***Parking Fund*** is used to account for the activities of the City's parking districts.

The ***Building Fund*** was established to account for the activities of the City's building permits and inspection division.

CITY OF BURLINGAME, CALIFORNIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Solid Waste Fund
ASSETS			
Current assets:			
Cash and investments	\$ 20,368,967	\$ 33,330,081	\$ 3,765,327
Receivables (net of uncollectible amounts):			
Due from consumers	4,376,360	3,412,156	
Accounts receivables			54,735
Other receivables			
Prepays and deposits			
Inventory			
Total current assets	<u>24,745,327</u>	<u>36,742,237</u>	<u>3,820,062</u>
Noncurrent assets:			
Cash and investments, restricted	1,425,942	1,613,437	203,352
Capital assets:			
Land and other assets not being depreciated	4,862,307	6,720,396	
Facilities, infrastructure, and equipment, net of depreciation	<u>37,669,331</u>	<u>57,799,356</u>	
Total noncurrent assets	<u>43,957,580</u>	<u>66,133,189</u>	<u>203,352</u>
Total assets	<u>68,702,907</u>	<u>102,875,426</u>	<u>4,023,414</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on bond refunding	260,429	204,337	
Deferred outflows related to pensions	929,238	753,232	128,473
Deferred outflows related to OPEB	<u>1,300,290</u>	<u>1,060,680</u>	<u>182,600</u>
Total deferred outflows of resources	<u>2,489,957</u>	<u>2,018,249</u>	<u>311,073</u>
LIABILITIES			
Current liabilities:			
Accounts payable	1,374,985	1,256,006	4,621
Accrued payroll	134,805	115,790	16,537
Accrued interest	79,675	154,715	
Retentions payable	6,467	141,473	
Deposits	53,764		
Unearned revenue	50,301	896,711	
Claims and litigation - due in one year			
Long-term debt - due in one year	1,438,682	1,954,119	
Compensated absences - due in one year	24,774	27,219	2,625
Landfill closure and post-closure liability - due in one year			
Total current liabilities	<u>3,163,453</u>	<u>4,546,033</u>	<u>23,783</u>
Noncurrent liabilities:			
Long-term debt - due in more than one year	7,617,937	8,519,292	
Landfill closure and post closure liability - due in more than one year			
Claims and litigation - due in more than one year			
Compensated absences - due in more than one year	172,267	117,018	10,454
Net pension liability	4,328,679	3,508,789	598,471
Net OPEB liability	<u>2,406,220</u>	<u>1,962,810</u>	<u>337,910</u>
Total noncurrent liabilities	<u>14,525,103</u>	<u>14,107,909</u>	<u>946,835</u>
Total liabilities	<u>17,688,556</u>	<u>18,653,942</u>	<u>970,618</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions			
Deferred inflows related to OPEB	<u>69,090</u>	<u>56,360</u>	<u>9,700</u>
Total deferred inflows of resources	<u>69,090</u>	<u>56,360</u>	<u>9,700</u>
NET POSITION			
Net investment in capital assets	33,467,918	53,884,112	
Restricted for capital projects	5,596,586	11,666,584	
Restricted for pension and benefits program	1,415,139	1,166,109	203,352
Restricted for debt service	10,803	447,328	
Unrestricted	<u>12,944,772</u>	<u>19,019,240</u>	<u>3,150,817</u>
Total net position	<u>\$ 53,435,218</u>	<u>\$ 86,183,373</u>	<u>\$ 3,354,169</u>

See accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental Activities- Internal Service Funds	
Landfill Fund	Parking Fund	Building Fund	Total		
\$ 5,015,755	\$ 13,321,842	\$ 29,057,473	\$ 104,859,445	\$ 34,554,804	
			7,788,516		
	19,486		74,221		
141,280		7,392	148,672	8,716	
				194,684	
5,157,035	13,341,328	29,064,865	112,870,854	34,758,204	
34,871	131,119	672,267	4,080,988	678,532	
	6,139,163		17,721,866		
	16,106,108	18,306	111,593,101	1,630,719	
34,871	22,376,390	690,573	133,395,955	2,309,251	
5,191,906	35,717,718	29,755,438	246,266,809	37,067,455	
			464,766		
25,133	88,547	972,663	2,897,286	480,170	
36,250	120,740	911,530	3,612,090	696,760	
61,383	209,287	1,884,193	6,974,142	1,176,930	
123,875	174,706	273,395	3,207,588	365,281	
3,339	11,881	75,714	358,066	(108,970)	
			234,390		
			147,940		
		3,109,923	3,163,687		
		5,443	952,455		
				2,352,000	
	10,084	25,397	3,392,801		
			90,099	11,543	
266,088			266,088		
393,302	196,671	3,489,872	11,813,114	2,619,854	
			16,137,229		
3,725,234			3,725,234		
				6,044,000	
	11,201	31,033	341,973	37,643	
117,078	412,482	4,530,968	13,496,467	2,236,785	
67,090	223,430	1,686,810	6,684,270	1,289,390	
3,909,402	647,113	6,248,811	40,385,173	9,607,818	
4,302,704	843,784	9,738,683	52,198,287	12,227,672	
1,920	6,410	48,430	191,910	37,000	
1,920	6,410	48,430	191,910	37,000	
	22,152,583	18,306	109,522,919	1,630,719	
	1,315,008		18,578,178		
34,871	131,119	672,267	3,622,857	678,532	
			458,131		
913,794	11,478,101	21,161,945	68,668,669	23,670,462	
\$ 948,665	\$ 35,076,811	\$ 21,852,518	\$ 200,850,754	\$ 25,979,713	

CITY OF BURLINGAME, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Solid Waste Fund
OPERATING REVENUES:			
Water sales	\$ 19,831,897	\$ -	\$ -
Sewer service charges:			
City of Burlingame users		16,524,159	
Other agencies		1,321,394	
Special surcharges			646,359
Parking fees			
Charges for services	349,507	82,809	
Other revenue	80,263	105,799	257,535
Total operating revenues	20,261,667	18,034,161	903,894
OPERATING EXPENSES:			
Salaries and benefits	3,915,104	3,153,713	522,437
Retiree medical benefit			
Supplies and services	2,448,970	6,395,826	268,607
Water purchases	10,134,826		
Depreciation	2,263,453	2,893,284	
Insurance claims and expenses	297,583	182,219	2,070
Total operating expenses	19,059,936	12,625,042	793,114
Operating income	1,201,731	5,409,119	110,780
NONOPERATING REVENUES (EXPENSES):			
Investment income	1,275,608	1,622,599	211,867
Interest expense	(374,650)	(379,756)	
Net nonoperating revenues (expenses)	900,958	1,242,843	211,867
Income before transfers	2,102,689	6,651,962	322,647
Transfers out	(1,418,338)	(1,117,714)	(65,280)
Net change in net position	684,351	5,534,248	257,367
NET POSITION:			
Net position - beginning (deficit)	52,750,867	80,649,125	3,096,802
Net position - end of year (deficit)	\$ 53,435,218	\$ 86,183,373	\$ 3,354,169

See accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental Activities- Internal Service Funds
Landfill Fund	Parking Fund	Building Fund	Total	
\$ -	\$ -	\$ -	\$ 19,831,897	\$ -
			16,524,159	
			1,321,394	
627,795			1,274,154	
	2,714,021		2,714,021	
		4,522,664	4,954,980	17,665,079
		243,855	687,452	25,202
627,795	2,714,021	4,766,519	47,308,057	17,690,281
110,953	343,455	2,343,105	10,388,767	2,211,957
				3,779,832
414,699	1,048,053	1,658,046	12,234,201	2,966,780
			10,134,826	
	524,541	7,323	5,688,601	447,893
	1,407	10,569	493,848	3,612,686
525,652	1,917,456	4,019,043	38,940,243	13,019,148
102,143	796,565	747,476	8,367,814	4,671,133
234,078	652,582	1,473,138	5,469,872	1,599,766
			(754,406)	
234,078	652,582	1,473,138	4,715,466	1,599,766
336,221	1,449,147	2,220,614	13,083,280	6,270,899
	(563,188)	(459,960)	(3,624,480)	
336,221	885,959	1,760,654	9,458,800	6,270,899
612,444	34,190,852	20,091,864	191,391,954	19,708,814
\$ 948,665	\$ 35,076,811	\$ 21,852,518	\$ 200,850,754	\$ 25,979,713

CITY OF BURLINGAME, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Enterprise Funds		
	Water Fund	Sewer Fund	Solid Waste Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 20,152,792	\$ 19,185,220	\$ 902,411
Receipts from other funds			
Payments to suppliers	(12,838,750)	(5,555,367)	(440,092)
Payments to retirees and trust			
Payments to claims			
Payments to employees for services	(3,564,075)	(2,899,310)	(495,285)
Net cash provided by (used in) operating activities	3,749,967	10,730,543	(32,966)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers to other funds	(1,418,338)	(1,117,714)	(65,280)
Net cash provided by (used in) noncapital financing activities	(1,418,338)	(1,117,714)	(65,280)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition and construction of capital assets	(4,071,531)	(3,755,716)	
Principal paid on long-term debt	(1,731,328)	(2,145,446)	
Interest paid on long-term debt	(393,300)	(415,596)	
Net cash provided by (used in) capital and related financing activities	(6,196,159)	(6,316,758)	
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received on investments	1,275,608	1,622,599	211,867
Net cash provided by (used in) investing activities	1,275,608	1,622,599	211,867
Net increase (decrease) in cash and equivalents	(2,588,922)	4,918,670	113,621
CASH AND CASH EQUIVALENTS:			
Beginning of year	24,383,831	30,024,848	3,855,058
End of year	<u>\$ 21,794,909</u>	<u>\$ 34,943,518</u>	<u>\$ 3,968,679</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income	\$ 1,201,731	\$ 5,409,119	\$ 110,780
Adjustments for noncash activities:			
Depreciation and amortization	2,263,453	2,893,284	
Changes in assets and liabilities:			
Receivables	(108,875)	1,254,348	(1,483)
Prepaid / Inventories			
Deferred outflows	875,605	730,159	119,568
Accounts payable	187,262	881,205	(169,415)
Accrued payroll	28,743	31,741	747
Retentions and Deposits payable	(144,633)	141,473	
Unearned revenue		(103,289)	
Compensated absences	22,640	25,996	687
Claims and litigations liabilities			
Net pension liabilities	(297,315)	(291,316)	(49,710)
Net OPEB Liabilities	(175,004)	(156,702)	(29,278)
Deferred inflows	(103,640)	(85,475)	(14,862)
Total adjustments	2,548,236	5,321,424	(143,746)
Net cash provided by (used in) operating activities	\$ 3,749,967	\$ 10,730,543	\$ (32,966)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION			
Cash and investments – current	\$ 20,368,967	\$ 33,330,081	\$ 3,765,327
Cash and investments, restricted	1,425,942	1,613,437	203,352
Cash and cash equivalents on statement of cash flows	\$ 21,794,909	\$ 34,943,518	\$ 3,968,679
Non-cash transactions			
Amortization of Bond Premiums	\$ 186,328	\$ 138,213	

See accompanying Notes to the Basic Financial Statements

Enterprise Funds				Governmental Activities- Internal Service Funds
Landfill Fund	Parking Fund	Building Fund	Total	
\$ 535,777	\$ 2,705,046	\$ 4,758,469	\$ 48,239,715	\$ -
				17,743,560
(391,090)	(917,267)	(2,000,795)	(22,143,361)	(6,335,191)
				(3,779,832)
				(350,718)
(103,348)	(334,680)	(2,118,657)	(9,515,355)	(1,990,417)
41,339	1,453,099	639,017	16,580,999	5,287,402
	(563,188)	(459,960)	(3,624,480)	
	(563,188)	(459,960)	(3,624,480)	
	(568,589)		(8,395,836)	(863,357)
261,379			(3,615,395)	
			(808,896)	
261,379	(568,589)		(12,820,127)	(863,357)
234,078	652,582	1,473,138	5,469,872	1,596,112
234,078	652,582	1,473,138	5,469,872	1,596,112
536,796	973,904	1,652,195	5,606,264	6,020,157
4,513,830	12,479,057	28,077,545	103,334,169	29,213,179
\$ 5,050,626	\$ 13,452,961	\$ 29,729,740	\$ 108,940,433	\$ 35,233,336
\$ 102,143	\$ 796,565	\$ 747,476	\$ 8,367,814	\$ 4,671,133
	524,541	7,323	5,688,601	447,893
(92,018)	(8,975)	(7,344)	1,035,653	53,279
				(129,720)
20,802	85,323	578,357	2,409,814	344,718
23,609	132,193	139,755	1,194,609	83,277
430	1,910	11,015	74,586	(43,658)
		(471,935)	(475,095)	
		(706)	(103,995)	
	4,759	(44,225)	9,857	13,077
				(60,000)
(8,937)	(57,015)	(358,783)	(1,063,076)	(18,837)
(1,985)	(16,515)	98,085	(281,399)	(23,035)
(2,705)	(9,687)	(60,001)	(276,370)	(50,725)
(60,804)	656,534	(108,459)	8,213,185	616,269
\$ 41,339	\$ 1,453,099	\$ 639,017	\$ 16,580,999	\$ 5,287,402
\$ 5,015,755	\$ 13,321,842	\$ 29,057,473	\$ 104,859,445	\$ 34,554,804
34,871	131,119	672,267	4,080,988	678,532
\$ 5,050,626	\$ 13,452,961	\$ 29,729,740	\$ 108,940,433	\$ 35,233,336

\$ 324,541



Annual Comprehensive Financial Report

June 30, 2025

FIDUCIARY FUNDS

The City of Burlingame only reports one type of Fiduciary Funds: Custodial funds

The ***Custodial Funds*** report resources, not in a trust, that are held by the City of Burlingame for other parties outside of the City. This includes the Hotel Business Improvement District (BID) Fees Fund, Elementary School Development Fees Fund, High School Development Fees Fund, Downtown Business Improvement District Fund, Broadway Business Improvement District Fund and Library Foundation Fund.

The details of individual custodial funds' financial statements can be found in the supplementary information section of this report.

CITY OF BURLINGAME, CALIFORNIA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2025

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 145,206
Accounts receivable	<u>25,578</u>
Total assets	<u>170,784</u>
LIABILITIES	
Accounts payable	106,656
Unearned revenue	7,100
Due to other governmental units	<u>57,028</u>
Total liabilities	<u>170,784</u>
NET POSITION	
Restricted for:	
Other governments	<u> </u>
Total Net Position	<u><u>\$ -</u></u>

See accompanying Notes to the Basic Financial Statements

CITY OF BURLINGAME, CALIFORNIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>Custodial Funds</u>
ADDITIONS	
Fees collections	\$ 626,247
Total Additions	<u>626,247</u>
DEDUCTIONS	
Distribution to districts	<u>626,247</u>
Total Deductions	<u>626,247</u>
Net increase(decrease) in fiduciary net position	
Net Position-Beginning of the Year	
Net Position-End of the Year	<u><u>\$ -</u></u>

See accompanying Notes to the Basic Financial Statements



Annual Comprehensive Financial Report

June 30, 2025

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Definition of the Reporting Entity

The City of Burlingame (the City) was incorporated in 1908 as a California general law city. Burlingame is a full-service city providing all municipal services, including police, fire, library, parks, recreation, street and storm drain maintenance, and water and sewage treatment. It is governed by a five-member City Council, whose members are normally each elected to a four-year term. The Mayor of the City is a one-year rotating chair of the City Council. As a government agency, the City is exempt from both federal income taxes and state franchise taxes.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and so data from these units are combined with data of the City as the primary government. For financial reporting purposes, the City's financial statements include all funds, boards and commissions, and authorities that are controlled by or are dependent on the City's legislative branch, the City Council. Control by or dependence on the City was determined on the basis of budget adoption, taxing authority, outstanding debt, or the City's obligation to fund any deficits that may occur.

Blended Component Units

The following unit is a legally separate component unit for which the City is financially accountable, and therefore, the related financial activities have been blended with the City's financial reporting:

Burlingame Financing Authority

In November 1995, the City formed an authority known as the Burlingame Financing Authority (Authority). The Authority provides services entirely to the City. The purpose of this Authority is to issue bonds to finance the construction of public capital improvements through the lease of certain land and existing improvements or a pledge of revenue. Facilities are leased by the Authority to the City pursuant to lease agreements.

The Authority is comprised of members of the City Council. The City and the Authority have a financial and operational relationship and the financial activities of the Authority have been included in the financial statements of the City as a blended component unit. The Authority's financial activities are presented in the Debt Service Fund as part of the governmental fund statements. The books and records of the Authority are maintained by the City. Additional financial data for the Authority may be obtained from the Finance Department, 501 Primrose Road, Burlingame, CA 94010.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Definition of the Reporting Entity (Continued)

Non-Disclosed Organizations

There are other agencies that provide services within the City, which are independently governed, and also maintain financial books and records that are separate from the City.

Central County Fire Department

Effective July 1, 2010, City fire employees became employees of Central County Fire Department (CCFD). CCFD is a Joint Powers Authority (JPA) which provides fire, emergency medical, and disaster preparedness services to the City and the Town of Hillsborough. CCFD also provide fire and emergency medical services to the City of Millbrae through a contract. CCFD is governed by a four member board of directors and a Chief Administrative Officer. As members of the CCFD JPA, Burlingame and Hillsborough fund 70% of the direct costs in support of the ongoing operations and maintenance of CCFD based on a 60/40 cost allocation as outlined in the JPA. The remaining 30% is funded by the City of Millbrae. The Town of Hillsborough maintains the books and records of the CCFD which is subject to a separate annual audit. This cost allocation is reflected as a receivable (if total actual direct costs are less than budgeted or expected direct costs) or payable (if total actual direct costs exceed budgeted or expected direct costs) on the City's Statement of Net Position. CCFD is a stand-alone employer recognized by the California Public Employees' Retirement System (CalPERS).

B. Basis of Accounting, Measurement Focus, and Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities.

GASB requires that the accounts of the City be organized on the basis of funds, each of which is considered a separate accounting entity. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The operations of each fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting, Measurement Focus, and Presentation (Continued)

Financial reporting standards established by GASB require that the financial statements described below be presented.

Government-Wide Financial Statements

The Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities, except for interfund services provided and used, which are not eliminated in the process of consolidation. These statements present summaries of Governmental and Business-Type Activities, and represent a consolidation of all financial activities for the entire City. Fiduciary activities of the City are not included in these statements.

The Government-Wide Financial Statements are presented on an economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds. Accordingly, all of the City's current and long-term assets and liabilities, including capital assets, infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position as of June 30. The Statement of Activities presents changes in net position since July 1, the beginning of the fiscal year.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows. For example, property tax revenue is recognized in the year of levy, and all other revenue is recognized when services have been rendered. The types of transactions reported as program revenues for the City are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions.

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the qualifications for major fund reporting.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting, Measurement Focus, and Presentation (Continued)

Governmental Fund Financial Statements (Continued)

Major funds are funds whose revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) are at least 10% of corresponding totals for all governmental or enterprise funds and at least 5% of the aggregate amount for all governmental and enterprise funds. The identification and separate reporting of major funds serves to highlight financial activities which may be particularly important to financial statement users. Nonmajor funds are reported in aggregate in a separate column in the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances.

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources and transactions except those required to be accounted for in another fund.

The Storm Drainage Special Revenue Fund is used to account for the storm drainage fees collected as a result of an assessment approved by the majority of the parcel owners in the City voting at a special election on May 5, 2009.

The Development Fees Fund is used to account for developers' fees that may be used for public improvements or facilities needed to support approved development projects in the City. This fund includes receipts from impact fees for specific improvement in the Bayfront and North Burlingame areas, as well as parking in lieu fees.

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs (other than those paid by the proprietary funds).

The Capital Projects Fund is used to account for resources used to acquire or develop facilities or major capital improvements.

All governmental funds are accounted for on a spending or current financial resources measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in current net position.

Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting, Measurement Focus, and Presentation (Continued)

The primary revenue sources, which have been treated as susceptible to accrual by the City, are taxpayer-assessed tax revenues (such as property taxes, sales taxes, transient occupancy taxes, and franchise taxes), certain grant revenues, and earnings on investments.

Governmental Fund Financial Statements (Continued)

Expenditures are recorded in the accounting period in which the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis of accounting, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Other revenues which may be accrued include other taxes, intergovernmental revenues, interest, and charges for services.

Again, grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenses. It is the City's policy to first apply restricted resources to such programs, followed by unrestricted resources if necessary.

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Fund Net Position; and a Statement of Cash Flows for each major proprietary fund. A column representing internal service funds is also presented in these statements. However, internal service fund balances and activities are combined with the Governmental Activities in the Government-Wide Financial Statements.

The City reports the following major proprietary (enterprise) funds:

The Water Fund is used to account for the activities of the City's water supply system.

The Sewer Fund is used to account for the activities of the City's sewage collection system and the Wastewater Treatment Plant.

The Solid Waste Fund is used to account for the activities of the City's franchised garbage collections and recycling program.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting, Measurement Focus, and Presentation (Continued)

The Landfill Fund is used to account for the landfill closure costs and post-closure monitoring services. The Landfill Fund was created in 2014 by separating landfill activities from the Solid Waste Fund.

The Parking Fund is used to account for the activities of the City's Parking Districts.

The Building Fund is used to account for activities of the City's building division.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. The primary operating revenues of the City's enterprise and internal service funds include water and sewer service, connection fees, sewer discharge permits, garbage and recycling collection surcharges, building inspections, parking fees and permits, information technology support, vehicle and facilities maintenance, and risk management activities provided to the various departments in the City. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as nonoperating expenses.

The Internal Service Funds are used to account for the servicing of self-insurance, allocation of funding for the retiree medical benefit trust fund, vehicle maintenance and acquisition, facilities maintenance, and information technology maintenance and acquisitions made for City departments or agencies on a cost-reimbursement basis.

Fiduciary Fund Financial Statements

The Fiduciary Funds are used to account for the resources held by the City in a custodial capacity or as an agent for individuals, private organizations, other government units such as the State of California, and/or other funds. The City maintains custodial funds for Hotel, Downtown and Broadway Business Improvement Districts (BIDs) fees; and the elementary and high school district developer fees. Fiduciary Fund Financial Statements are reported on economic resources measurement focus and full accrual basis, which include the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position, which represent the related activity for the City's custodial funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fair Value Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

D. Deferred Outflows and Inflows of Resources

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

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

E. Capital Assets

Capital assets, which include land, roads and parking lots, buildings and structures, improvements other than buildings, machinery and equipment, infrastructure assets, and construction in progress, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The City capitalizes equipment and improvements having an estimated useful life in excess of one year and acquisition cost of at least \$5,000.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Inventories and Prepaid Items

Inventories are reported at a cost basis. The cost is recorded, using a weighted average, as an expenditure at the time an individual item is consumed rather than when purchased. Inventories are reflected as nonspendable in the General Fund fund balance and are, therefore, unavailable for appropriation. As of June 30, 2025, inventories on hand were immaterial.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed, rather than when purchased.

The inventories and prepaid items recorded in the governmental funds do not reflect current appropriable resources and, thus, are reported as part of nonspendable fund balance.

G. Property Taxes

Property taxes are collected for a twelve-month period effective July 1 by the County Tax Collector. Property tax is levied each September 1 on the assessed values as of the prior January 1 for all real and personal property located in the City. Once the levy rates are approved, the actual claim to property taxes arises and is enforceable. Taxes are billed once a year in late October and are payable in two equal installments due by December 10 and April 10 (of the following year). Taxes are considered delinquent if paid after the due dates.

As a result of the implementation of Article XIII (a) of the California State Constitution in fiscal year 1978-1979, the City does not have the power to levy property taxes or to set property tax rates based on the financial requirements of the various funds. Instead, the City receives remittances from the County. These remittances are based either on a flat 1% rate applied to the fiscal year 1975-1976 full value of the property, or on 1% of the sales price of the property on sales transactions and construction which occur after the fiscal year 1975-1976 valuation. Values on properties (exclusive of increases related to sales transactions and construction) can rise at a maximum of 2% per year or the amount of increases to the California Consumer Price Index, whichever is less. City property tax revenues are recognized when levied to the extent that they result in current receivables.

Article XIII (a), Section 1B, of the California State Constitution allows property taxes in excess of the 1% limit to fund general obligation bond debt service when such bonds are approved by two-thirds of the local voters.

On October 12, 1993, the County Board of Supervisors adopted and implemented the Alternative Method of Tax Apportionment (Teeter Plan). The Teeter Plan applies to secured taxes only and provides a consistent predictable cash flow for taxes since they are apportioned to the City as if the tax levy had been collected in full.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Use of Estimates and Reclassifications

The preparation of 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 could differ from those estimates.

I. Leases

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, Leases, a lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction (i.e., buildings, land, vehicles, and equipment). Any contract that meets this definition should be accounted for under the lease guidance as identified in GASB Statement No. 87.

The City's policy is to evaluate leases annually. The City will set a lease capitalization threshold based on one percent of the five-year average of annual total assets for lease contracts to be recorded under GASB Statement No. 87 (GASB 87). As of June 30, 2025, the City did not have any leases meeting this threshold.

J. Subscription Based Information Technology Arrangements

GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements, defines a SBITA as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The City's policy is to evaluate SBITAs annually. The City will set a SBITA capitalization threshold based on one percent of the five-year average of annual total assets for SBITA contracts to be recorded under GASB Statement No. 96 (GASB 96). As of June 30, 2025, the City did not have any leases meeting this threshold.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. New Accounting Pronouncements

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for reporting periods beginning after December 15, 2024, or the fiscal year 2024-25. The provisions of this Statement were implemented during fiscal year 2025. The implementation had no effect on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement is effective for reporting periods beginning after June 15, 2024, or the fiscal year 2024-25. The provisions of this Statement were implemented during fiscal year 2025. The implementation had no effect on the financial statements.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-26. The City is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the City's fiscal year ending June 30, 2026.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

Basis of Budgeting

A formal budget is employed as a management control device during the year for the City, and is adopted annually for all City funds, except for the fiduciary funds. Consistent with most governmental entities, the City's budget is based on a modified accrual basis of accounting under which revenues are recognized in the period they become available and measurable, and expenditures are recognized in the period the related liability is incurred.

Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States (GAAP).

The City budget includes information regarding estimated costs (or outlays) and revenue (or cash inflows) for identified programs, projects, and levels of service to meet the needs of the City. All annual appropriations lapse at the end of the fiscal year except in the Capital Projects Fund because capital improvement projects typically span more than one fiscal year. Appropriations for capital projects lapse when projects are completed, placed into service, accounted for as capital assets, or abandoned at the discretion of the City and/or City Council.

Budget amendments that increase a fund's appropriations require majority approval by the City Council. Certain budgetary reallocations within departments require approval by the Finance Director and department heads. Budget amendments between departments are approved by the Finance Director and City Manager. A mid-year budget status report and long-term financial forecast for the next five years is presented to the City Council as part of an ongoing assessment and evaluation of budgetary performance, with special attention to the General Fund and certain other major funds.

Budgetary financial data is included in the required supplementary information for the General Fund, Storm Drainage Fund, and Development Fees Fund. Final budgetary data excludes the amount reserved for encumbrances in order to properly compare these amounts to actual expenditures.

Budget Development and Adoption

The City Council encourages all Burlingame residents and business community members to participate in the development of the City budget. The Council holds public meetings to provide guidance on the budget.

Under Council's policy directives and guidance, departments prepare their budget requests in support of their programs in January for submission in early April. Expenditure assumptions are based on known factors such as collective bargaining agreements, current pay and benefits policies, consumer price indices, and other information available from expert third parties or governing authorities.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

Budget requests are reviewed by the Finance Department for technical compliance to City budget instructions. The Proposed Budget is prepared and delivered to the City Council in May. The City Council reviews the Proposed Budget before the final budget is formally adopted in June at a public hearing, which gives residents an additional opportunity to comment on the spending plan.

A separate publication presenting this information is available from the City of Burlingame, Finance Department, 501 Primrose Road, Burlingame, CA 94010. General Fund, Storm Drainage Fund, and Development Fees Fund Budgetary Comparison Schedules are also included in the Required Supplementary Information, which has information regarding budget to actual performance.

NOTE 3 – CASH AND INVESTMENTS

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested to enhance interest earnings in accordance with City investment policy guidelines established by the City Treasurer. The pooled interest earned is allocated to the funds based on cash and investment balances in these funds at the end of each accounting period.

The City has the following cash and investments at June 30, 2025:

	Government-Wide Statement of Net Position		Fiduciary Funds	Total
	Governmental Activities	Business-Type Activities		
Cash and investments	\$ 183,243,571	\$ 104,859,445	\$ 145,206	\$ 288,248,222
Cash and investments, restricted		447,984		447,984
Cash and investments, restricted, held with fiscal agents	33,500,777	3,633,004		37,133,781
Total cash and investments	<u>\$ 216,744,348</u>	<u>\$ 108,940,433</u>	<u>\$ 145,206</u>	<u>\$ 325,829,987</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

The City's cash and investments at June 30, 2025 in more detail:

	Fair Value
<u>Deposits</u>	
Deposits - unrestricted	\$ 14,891,696
Deposits - restricted	37,133,781
Total deposits	52,025,477
<u>Investments -unrestricted</u>	
U.S. Treasury Bond/Note	81,446,692
Bank Notes	1,414,201
Municipal Bond/Note	660,000
Federal Agency Obligations	2,105,417
Asset-Backed Security/Commercial Mortgage	21,848,591
Corporate notes	24,570,419
California Asset Management Program (CAMP)	108,115,618
California Local Agency Investment Funds (LAIF)	33,643,572
Total investments	273,804,510
Total Cash and Investments	\$ 325,829,987
<u>Cash and Investments Held with Treasury</u>	
Unrestricted, held with Treasury	\$ 288,248,222
Restricted, held with Treasury	447,984
Total Cash and Investments Held With Treasury	288,696,206
<u>Restricted Cash and Investment Held with Fiscal Agent</u>	
Investment held with Pension Trust - PARS	26,611,933
Cash held by fiscal agent - Bank of New York	9,228,098
Cash held by fiscal agent - US Bank	1,293,750
Total restricted cash and investments held with fiscal agent	37,133,781
Total Cash and Investments	\$ 325,829,987

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

A. Deposits

Custodial Credit Risk

The carrying amounts of the City's cash deposits were \$14,891,696 at June 30, 2025. Bank balances before reconciling items were \$16,151,734. At that date, the total collateralized or insured with securities held by the pledging financial institutions in the City's name is discussed below.

Custodial credit risk for *deposits* is the risk that the City will not be able to recover its deposits or will not be able to recover collateral securities in the possession of an outside party if a depository institution fails. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit exposure to custodial credit risk for deposits or investments, other than the following provision applicable to deposits.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. State law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

B. Investments

Pooled Investments and Investment by City Treasury

Cash of the respective funds is pooled and invested principally in U.S. Treasury and agency securities and short-term investments such as the State of California (State) Local Agency Investment Fund (LAIF) and the California Asset Management Program (CAMP).

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

LAIF is a pool of State cash and investments and those of California cities and local agencies. The State's investment policy is consistent with the City's policy, and, although State and City investments are pooled, the State does not have access to City funds. The State Treasurer administers LAIF, which charges for the service by retaining a percentage of investment earnings. State regulations permit the City to place up to \$75,000,000 (effective January 1, 2020) in LAIF, plus any bond proceeds related to construction of a City facility.

Valuation

For the purposes of the Statement of Cash Flows, the City considers cash and cash equivalents to be cash on hand, demand deposits, and highly liquid investments with original maturities of three months or less at the time of acquisition. In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. Interest income from investment of pooled cash is allocated to the funds based on monthly cash balances.

Investments are presented at fair value except as noted below. The fair value of participants' position in the investment pools is the same as the value of the investment pools' shares and investment income includes changes in fair value (i.e., realized and unrealized gains or losses). Money market funds (such as short-term, highly liquid debt instruments including bankers' acceptances and securities notes, bills, and bonds of the U.S. government and its agencies), and participating interest-earning investment contracts (such as negotiable certificates of deposit, certificates of deposit, and repurchase agreements) that have a remaining maturity at the time of purchase of one year or less, are carried at amortized cost which approximates fair value.

Certain disclosures, if applicable, for deposits and investment risks such as interest rate risk and custodial credit risk are required to be disclosed in the financial statements:

- Fair Value Hierarchy
- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentrations of Credit Risk

In addition, other disclosures are specified, including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end, and other information.

For purposes of the Statement of Cash Flows of the proprietary fund types, cash and cash equivalents include all investments, as the City operates an internal cash management pool which maintains the general characteristics of a demand deposit account.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Fair Value Hierarchy

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

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Investments by Fair Value Level:			
U.S. Treasury Bond/Note	\$ 81,446,692	\$ -	\$ 81,446,692
Bank Notes		1,414,201	1,414,201
Municipal Bond/Note		660,000	660,000
Federal Agency Obligations		2,105,417	2,105,417
Asset-Backed Security/Commercial Mortgage		21,848,591	21,848,591
Corporate notes		24,570,419	24,570,419
Total Investments	<u>\$ 81,446,692</u>	<u>\$ 50,598,628</u>	<u>\$ 132,045,320</u>
Investments measured at Amortized Cost:			
California Local Agency Investment Fund			\$ 33,643,572
California Asset Management Program			108,115,618
Total Investments			<u>\$ 273,804,510</u>

Investments classified in Level 1 of the fair value hierarchy are valued using quoted prices in active markets. Federal agency securities, Certificates of Deposit, Commercial paper totaling and Corporate notes classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The California Local Agency Investment Fund (LAIF) is classified as exempt in the fair value hierarchy, as it is valued at amortized cost, which is exempt from being classified under GASB 72. Fair value is defined as the quoted market value on the last trading day of the period. These prices are obtained from various pricing sources by the custodian bank.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer (other than US Treasury securities). As of June 30, 2025, the City did not hold any investments in any one issuer, other than U.S. Treasury Securities, the California Local Agency Investment Fund and the California Asset Management Program that represent 5% or more of total City-wide investments.

Interest Rate Risk

To minimize exposure to fair value losses caused by rising interest rates and to meet the liquidity needs of the City, the City's investment policy limits its investment portfolio to a maturity of less than 5 years.

Investment Type	12 Months or less	13 to 24 Months	25 to 60 Months	Total	Percentage of Portfolio
U.S. Treasury Bond/Note	\$ 24,323,991	\$ 3,672,972	\$ 53,449,729	\$ 81,446,692	29.75%
Bank Notes			1,414,201	1,414,201	0.52%
Municipal Bond/Note	660,000			660,000	0.24%
Federal Agency Obligations	2,105,417			2,105,417	0.77%
Corporate notes	3,308,465	7,067,321	14,194,633	24,570,419	8.97%
Asset-Backed Security/Commercial Mortgage			21,848,591	21,848,591	7.98%
California Asset Management Program	108,115,618			108,115,618	39.49%
California Local Agency Investment Fund	33,643,572			33,643,572	12.29%
Total Investments	<u>\$ 172,157,063</u>	<u>\$ 10,740,293</u>	<u>\$ 90,907,154</u>	<u>\$ 273,804,510</u>	<u>100.00%</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk

State law limits investments in commercial paper and corporate bonds to be rated in a category “A” or its equivalent or better by nationally recognized statistical rating organizations (NRSROs). It is the City’s policy to limit its investments in these investment types to the top rating issued by NRSROs, including raters Standard & Poor’s, Fitch Ratings, and Moody’s Investors Service (Moody’s).

<u>Investment Type:</u>	<u>Fair Value:</u>	<u>Moody's Rating</u>
U.S. Treasury Bond/Note	\$ 81,446,692	Aa1
Federal Agency Obligations	2,105,417	Aa1
Bank Notes	1,414,201	A2
Municipal Bond/Note	660,000	Aa2
Asset-Backed Security/Commercial Mortgage	21,848,591	Aaa to Not Rated
Corporate Notes:		
Novartis Capital Corp Notes	1,839,599	Aa3
Bank of New York Mellon	1,468,866	Aa3
Bank of America Corp Note	1,216,994	Aa2
Walmart Inc. Corp Notes	1,927,952	Aa2
Target Corp Notes	159,813	A2
Target Corp Notes	736,106	A2
Microsoft Corp Corp Notes	1,791,406	Aaa
Goldman Sachs Group Inc. Corp Notes	1,235,050	A1
Truist Financial Corp Notes	968,140	Baa1
Amazon Inc. Corp Notes	1,793,383	A1
JPMorgan Chase & Co Bonds	356,621	A1
JPMorgan Chase & Co Bonds	357,229	A1
Apple Inc. Corp Notes	2,182,402	Aaa
John Deere Capital Corp	414,850	A1
Paccar Financial Corp	922,055	A1
Citigroup Inc	747,506	Aa3
Citigroup Inc	1,280,692	Aa3
Morgan Stanley Bank NA	979,922	Aa3
Bank of America Corp Note	907,398	A1
JPMorgan Chase & Co Bonds	1,605,646	A1
Blackrock Inc	117,423	Aa3
Pepsico Inc	604,168	A1
Toyota Motor Credit Corp Corp Notes	166,250	A1
Toyota Motor Credit Corp Corp Notes	790,948	A1
California Asset Management Program	108,115,618	Not Rated
California Local Agency Investment Fund	33,643,572	Not Rated
	<u>\$ 273,804,510</u>	

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Investments (Continued)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are held by the counterparty. All of the City's investments in securities are held in the name of the City. The City's custody agreement policy prohibits counterparties holding securities not in the City's name.

C. Investments in LAIF

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by the State, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, floating rate Securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills and corporations. As of June 30, 2025, these investments have an average maturity of 248 days.

D. California Asset Management Program

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by a Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act (California Government Code Sections 6500 et seq., or the "Act") for the purpose of exercising the common power of its participants to invest certain proceeds of debt issues and surplus funds. The Pool's investments are limited to investments permitted by subdivisions (a) to (n), inclusive, of Section 53601 of the California Government Code. The City reports its investments in CAMP at the fair value amounts provided by CAMP, which is the same as the value of the pool share. At June 30, 2025, these investments have an average maturity of 41 days, and the fair value approximated was the City's cost.

E. Public Agencies Post-Employment Trust

The City is a voluntary participant in a Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code or the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk tolerance. The assets in the Trust will eventually be used to fund pension plan obligations.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 4 – INTERFUND TRANSFERS AND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. The purpose of the majority of transfers is to allocate resources from the fund that receives them to the fund where they will be spent without a requirement for repayment. Less often, a transfer may be made to open or close a fund.

Transfers between funds for the year ending June 30, 2025, are as follows:

Transfers Out	Transfers In				Total Out	
	General Funds	Non Major Funds	Debt Service Funds	Capital Projects Funds		
General Funds	\$ -	\$ 52,300	\$ 3,650,192	\$ 12,657,040	\$ 16,359,532	(b)(c)
Storm Drainage Funds	15,000		2,593,583		2,608,583	(a)(d)
Development Fee Funds	50,000			2,650,000	2,700,000	(e)(c)
Debt Service Funds				1,008,866	1,008,866	(c)
Non Major Funds	316,000			2,875,000	3,191,000	(a)(c)
Water Fund	743,338			675,000	1,418,338	(a)(e)
Sewer Fund	442,714			675,000	1,117,714	(a)(e)
Solid Waste Funds	65,280				65,280	(a)(e)
Parking Funds	348,188			215,000	563,188	(a)(e)
Building Fund	459,960				459,960	(a)(e)
Total In	<u>\$ 2,440,480</u>	<u>\$ 52,300</u>	<u>\$ 6,243,775</u>	<u>\$ 20,755,906</u>	<u>\$ 29,492,461</u>	

(a) To fund debt service and administrative support
(b) To fund capital projects and debt service
(c) To fund capital projects and various city services
(d) To fund debt service
(e) To fund capital projects

B. Interfund Receivables and Payables

During the course of operations, transactions may occur between funds to account for goods received or services rendered. Transactions between funds that are representative of lending or borrowing arrangements outstanding at the end of the fiscal year are referred to as advances to/from other funds, which represent the noncurrent portion of any interfund loans. All other outstanding balances between funds are reported as due to/from other funds. Any other residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 5 – LOANS RECEIVABLE

On December 5, 2022, the City Council authorized the City Manager to negotiate and execute a loan agreement with Allied Housing, Inc. to provide funding assistance to the proposed Eucalyptus Grove Apartments affordable housing development at 1875 California Drive in the Amount of \$1.4 million. The development would consist of 69 units affordable to households making between 20% and 50% of the area's median income.

The development would include seven studio units, 21 one-bedroom units, 21 two-bedroom units, and 20 three-bedroom units. One of the units would be reserved for onsite management. Depending on the availability of state and federal funding sources, 18 (26%) units would be set aside for veterans under the state HCD's VHHP (Veteran Housing and Homelessness Prevention) program that will include supportive services (including counseling and training) provided on-site. This project is currently under construction with an anticipated completion date of December 2025.

The loan bears 3% simple interest repaid through residual receipts during the loan's 55-year term, subordinate, secured by deed-of-trust, non-recourse. The loan was funded November 2, 2023. As of June 30, 2025, the balance on the loan was \$1,432,138.

NOTE 6 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Furthermore, the book value of grant-funded assets is shown net of any grant reimbursement revenue. Capital outlay is recorded as expenditures in the General, Capital Projects, and other governmental funds and as an asset in the government-wide financial statements to the extent that the City's capitalization threshold is met. Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of the capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Except for roads and parking lots covered by the modified approach, depreciation has been provided on capital assets excluding land and construction in progress. Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the Statement of Net Position as a reduction in the book value of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The City has assigned the useful lives listed below to capital assets.

<u>Type of Asset</u>	<u>Years</u>
Buildings and structures	10-100
Improvements	10-100
Machinery and equipment	5-15
Infrastructure	10-100

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS (Continued)

The modified approach is an alternative to depreciation that may be applied for eligible infrastructure capital assets. The City has elected to follow the modified approach for paved roads and parking lots. No depreciation is reported for these assets nor are amounts capitalized in connection with improvements that lengthen the lives of the roads and parking lots, unless the improvements also increase their service potential. Rather, costs for both maintenance and preservation of these assets are expensed in the period incurred. The City maintains an inventory of the roads and parking lots and performs periodic condition assessments to establish the condition levels of the systems. Additional information regarding the condition of paved roads can be found in the required supplementary information.

Intangible Assets

In 2010, the City adopted GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. GASB Statement No. 51 established accounting and financial reporting requirements for intangible assets to reduce inconsistencies, enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The statement also provides authoritative guidance that specifically addresses the nature of the intangible assets that are internally created by the governmental entity. Examples of intangible assets include easements, land use rights, and computer software. The City capitalizes intangible assets with an acquisition cost of at least \$5,000 and an estimated useful life in excess of one year.

Artwork and historical artifacts of the City held for public exhibition or promotion of education and public service rather than financial gain are not capitalized and are expensed when incurred. As of June 30, 2025, the City does not have intangible assets.

A. Capital Asset Activity from Governmental Activities

Capital asset activity for the year ended June 30, 2025, relating to governmental activities was as follows:

	Balance July 01, 2024	Increases	Decreases	Transfers	Balance June 30, 2025
Capital assets not being depreciated:					
Land	\$ 6,407,198	\$ -	\$ -	\$ -	\$ 6,407,198
Pavement accounted for using the modified approach	32,947,987				32,947,987
Construction in progress	17,407,089	15,347,036	(11,291)	(11,289,896)	21,452,938
Total capital assets, not being depreciated	56,762,274	15,347,036	(11,291)	(11,289,896)	60,808,123
Capital assets being depreciated:					
Buildings and structures	98,318,139				98,318,139
Machinery and equipment	23,889,139	1,381,740	(70,698)	33,483	25,233,664
Improvements and Infrastructure	142,736,290	46,894		11,256,413	154,039,597
Total capital assets, being depreciated	264,943,568	1,428,634	(70,698)	11,289,896	277,591,400
Less accumulated depreciation for:					
Buildings and structures	24,293,639	2,034,524			26,328,163
Machinery and equipment	20,728,197	915,923	(70,698)		21,573,422
Infrastructure & Improvements	61,122,315	2,629,793			63,752,108
Total accumulated depreciation	106,144,151	5,580,240	(70,698)		111,653,693
Total capital assets, being depreciated, net	158,799,417	(4,151,606)		11,289,896	165,937,707
Governmental activities capital assets, net	\$ 215,561,691	\$ 11,195,430	\$ (11,291)	\$ -	\$ 226,745,830

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 6 – CAPITAL ASSETS (Continued)

B. Capital Asset Activity from Business-Type Activities

Capital asset activity for the year ended June 30, 2025, relating to business-type activities was as shown below.

	Balance July 01, 2024	Increases	Balance June 30, 2025
Capital assets not being depreciated:			
Land	\$ 6,189,188	\$ -	\$ 6,189,188
Construction in progress	3,265,827	8,266,851	11,532,678
Total capital assets, not being depreciated	9,455,015	8,266,851	17,721,866
Capital assets being depreciated:			
Buildings and structures	19,612,795		19,612,795
Machinery and Equipment	8,972,508	128,985	9,101,493
Improvements and Infrastructure	206,267,731		206,267,731
Total capital assets, being depreciated	234,853,034	128,985	234,982,019
Less accumulated depreciation for:			
Buildings and structures	2,762,111	392,069	3,154,180
Machinery and Equipment	7,576,810	346,718	7,923,528
Improvements and Infrastructure	107,361,396	4,949,814	112,311,210
Total accumulated depreciation	117,700,317	5,688,601	123,388,918
Total capital assets, being depreciated, net	117,152,717	(5,559,616)	111,593,101
Business-type activities capital assets, net	\$ 126,607,732	\$ 2,707,235	\$ 129,314,967

C. Depreciation Expense

Depreciation expense was charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program for the current year were as follows:

	Depreciation	Less: ISF	Governmental Funds
Governmental activities:			
General government	\$ 224,895	\$ (113,505)	\$ 111,390
Public safety	386,452		386,452
Public works	2,726,789	(334,388)	2,392,401
Parks, recreation, and library	2,242,104		2,242,104
Total depreciation expense - governmental activities	\$ 5,580,240	\$ (447,893)	\$ 5,132,347
Business-type activities:			
Water	\$ 2,263,453		
Sewer	2,893,284		
Parking	524,541		
Building	7,323		
Total depreciation expense - business-type activities	\$ 5,688,601		

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT

Government-Wide Financial Statements

In the government-wide financial statements, long-term debt and other financial obligations are reported as liabilities in the appropriate activities or proprietary funds. Bond premiums, discounts, and deferred gains and losses at refunding are deferred and amortized over the life of the bonds using the straight-line method. Issuance costs are expensed in the year incurred.

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt, which is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

The following is a summary of changes in long-term debt related to governmental and business-type activities during the fiscal year ended June 30, 2025:

Description	Beginning Balance June 30, 2024	Reductions	Ending Balance June 30, 2025	Amounts Due Within One Year
Governmental Activities - Bonds:				
Pension Obligation Bonds, Series 2006	\$ 5,460,000	\$ (790,000)	\$ 4,670,000	\$ 305,000
Storm Drainage Revenue Bonds, Series 2010	6,245,000	(335,000)	5,910,000	345,000
- Unamortized Premium	102,920	(7,790)	95,130	(7,790)
Lease Revenue Bonds, Series 2012	7,290,000	(300,000)	6,990,000	315,000
- Unamortized Premium	149,211	(8,066)	141,145	(8,066)
Storm Drainage Revenue Bonds, Series 2016	6,930,000	(365,000)	6,565,000	385,000
- Unamortized Premium	652,291	(46,593)	605,698	(46,593)
Lease Revenue Bonds, Series 2019	28,150,000	(590,000)	27,560,000	620,000
- Unamortized Premium	6,656,872	(261,054)	6,395,818	(261,054)
Storm Drainage Revenue Bonds, Series 2021	14,415,000	(740,000)	13,675,000	775,000
- Unamortized Premium	2,987,860	(213,418)	2,774,442	(213,418)
Total Governmental Activities-Bonds	79,039,154	(3,656,921)	75,382,233	2,208,079
Governmental Activities - Direct Borrowings:				
PG&E Loan - 2020	118,831	(30,338)	88,493	29,737
Total Governmental Type Activities - Direct Borrowings	118,831	(30,338)	88,493	29,737
Total Governmental Type Activities	\$ 79,157,985	\$ (3,687,259)	\$ 75,470,726	\$ 2,237,816
Business-Type Activities - Bonds:				
Water and Wastewater Refunding Bonds, Series 2011	\$ 1,785,000	\$ (415,000)	\$ 1,370,000	\$ 435,000
- Unamortized Premium	138,883	(34,722)	104,161	(34,722)
Water and Wastewater Refunding Bonds, Series 2013	5,410,000	(995,000)	4,415,000	1,050,000
- Unamortized Premium	451,083	(90,216)	360,867	(90,216)
Water and Wastewater Refunding Bonds, Series 2016	9,465,000	(1,185,000)	8,280,000	1,250,000
- Unamortized Premium	1,397,213	(199,603)	1,197,610	(199,603)
Total Business-Type Activities - Bonds	18,647,179	(2,919,541)	15,727,638	2,410,459
Business-Type Activities - Direct Borrowings:				
State Water Resource Loan - 2003	2,039,417	(663,090)	1,376,327	679,668
State Water Resource Loan - 2010	2,720,208	(294,143)	2,426,065	302,674
Total Business-Type Activities - Direct Borrowings	4,759,625	(957,233)	3,802,392	982,342
Total Business-Type Activities	\$ 23,406,804	\$ (3,876,774)	\$ 19,530,030	\$ 3,392,801

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

A. Long-Term Debt from Governmental Activities

Pension Obligation Bonds, 2006 Series A Bonds – Original Issue \$32,975,000

In September 2006, the City issued \$32,975,000 in taxable pension obligation bonds. The City is obligated to make payments to the California Public Employees' Retirement System (CalPERS) as a result of retirement benefits accruing to members of CalPERS. The City's statutory obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability (UAAL) and to make contributions with respect to such retirement benefits. The proceeds of the bonds were used to provide funds to allow the City to refund its current UAAL with respect to retirement benefits accruing to members of CalPERS and to prepay a portion of its contribution to CalPERS for the fiscal year ended June 30, 2007. Principal on the bonds is payable annually on June 1. Interest on the bonds is payable semi-annually June 1 and December 1. During fiscal year 2025, the City made principal and interest payments totaling \$790,000 and \$303,085, respectively. The bonds mature on June 1, 2036, and the underlying serial and term bonds carry an interest rate that varies from 5.2% to 5.5%.

The bonds are payable from any source of available funds of the City. The bond covenants contain events of default that require the revenue of the City to be applied by the Trustee as specified in the terms of the agreement if any of the following conditions occur: default on debt service payments; the failure of the City to observe or perform the conditions, covenants, or agreement terms of the debt; bankruptcy filing by the City; or if any court or competent jurisdiction shall assume custody or control of the City. Remedies following an event of default include any remedy available at law or in equity. No such events of default occurred during the fiscal year ending June 30, 2025.

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 305,000	\$ 259,232	\$ 564,232
2027	305,000	242,301	547,301
2028	330,000	225,371	555,371
2029	360,000	207,052	567,052
2030	385,000	187,069	572,069
2031-2035	2,395,000	581,190	2,976,190
2036	590,000	32,751	622,751
	<u>\$ 4,670,000</u>	<u>\$ 1,734,966</u>	<u>\$ 6,404,966</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

A. Long-Term Debt from Governmental Activities (Continued)

Storm Drainage Revenue Bonds, Series 2010 – Original Issue \$9,805,000
Series 2010A-1 Tax-Exempt \$2,635,000
Series 2010A-2 Taxable – Build America Bonds
\$7,170,000

The Authority issued Storm Drainage Revenue Bonds, Series 2010 to provide funds to the City to finance certain improvements to the City's Storm Drainage System and fund a reserve account for the bonds. The bonds include \$2,635,000 in tax-exempt bonds and \$7,170,000 in taxable Build America Bonds under the American Recovery and Reinvestment Act of 2009 (Recovery Act). Pursuant to the Recovery Act, the City expects to receive a cash subsidy payment from the United States Treasury up to 35% of the interest payable on the Series 2010A-2 bonds on or about each interest payment date. The Refundable Credits received by the City constitute system revenues and are pledged to the payment of installment payments under the Installment Sale Agreement. The tax-exempt series was issued at a premium of \$210,326, which will be amortized over the life of the bonds. Principal is due annually on July 1, commencing July 1, 2011. Interest on the bonds is payable semiannually on January 1 and July 1, commencing on January 1, 2011. During fiscal year 2025, the City made principal and interest payments on the taxable series totaling \$335,000 and \$280,855 respectively, net of the Build America Bonds Interest subsidy. The bonds mature on July 1, 2038, and the underlying serial and term bonds carry interest rates which vary from 3.0% to 6.8%.

The bonds are limited obligations of the Burlingame Financing Authority and are payable by the Authority solely from the revenues generally consisting of installment payments paid by the City to the Authority and from amounts on deposit in certain funds and accounts held under the trust agreement. The installment payments are special obligations of the City under the 2010 Installment Sale Agreement and are separately secured by a pledge of the system revenues of the Storm Drainage System. System revenues are required to be at least equal to 110% of the maximum annual debt service for all outstanding installment payments and all outstanding parity obligations during each fiscal year. The system revenues consist primarily of the Storm Drainage Fees approved by a majority of the parcel owners in the City voting at a special election May 5, 2009. Failure by the City to pay installment payments constitutes an event of default under the installment sale agreement, and the trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. The trustee has no right to accelerate the total unpaid principal amount of the installment payments. No such events of default occurred during the fiscal year ending June 30, 2025.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

A. Long-Term Debt from Governmental Activities (Continued)

Storm Drainage Revenue Bonds, Series 2010 (continued)

For The Year Ending June 30	Principal	Interest	Subsidy*	Total
2026	\$ 345,000	\$ 398,927	\$ (131,666)	\$ 612,261
2027	360,000	375,991	(124,096)	611,895
2028	380,000	352,058	(116,197)	615,861
2029	395,000	326,796	(107,859)	613,937
2030	410,000	300,536	(99,192)	611,344
2031-2035	2,350,000	1,060,488	(350,014)	3,060,474
2036-2038	<u>1,670,000</u>	<u>230,112</u>	<u>(75,948)</u>	<u>1,824,164</u>
	<u>5,910,000</u>	<u>3,044,908</u>	<u>(1,004,972)</u>	<u>7,949,936</u>
Plus: Unamortized premium	<u>95,130</u>			<u>95,130</u>
	<u>\$ 6,005,130</u>	<u>\$ 3,044,908</u>	<u>\$ (1,004,972)</u>	<u>\$ 8,045,066</u>

*** Assumes sequestration rate of Federal subsidy of Build America Bonds remains at 2021 rate (5.7%)**

Lease Revenue Bonds, Series 2012 – Original Issue \$10,030,000

In December 2012, the Authority issued the Lease Revenue Bonds, Series 2012 to finance certain improvements to Downtown Burlingame Avenue in accordance with the City's Downtown Burlingame Avenue Streetscape Project and to pay the costs of issuance of the bonds. The bonds were issued at a premium of \$237,936, which will be amortized over the life of the bonds. Principal and interest are due annually on June 1, commencing on June 1, 2013. During fiscal year 2025, the City made principal and interest payments totaling \$300,000 and \$248,088, respectively. The bonds mature on June 1, 2042, and the underlying serial and term bonds carry an interest rate that varies from 2.0% to 5.0%.

The bonds are limited obligations of the Burlingame Financing Authority and are payable by the Authority solely from revenues consisting primarily of base rental payments paid by the City to the Authority and from amounts on deposit in certain funds and accounts held under the trust agreement. The City has covenanted in the facilities sublease to include all base rental payments and additional payments needed in its annual budgets. Should the City default under the facilities sublease, the trustee may terminate the sublease and recover certain damages from the City, or may retain the facilities sublease and hold the City liable for base rental payments as they become due. Base rental payments may not be accelerated upon a default under the facilities sublease. No such events of default occurred during the fiscal year ending June 30, 2025.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

A. Long-Term Debt from Governmental Activities (Continued)

For The Year Ending June 30	Principal	Interest	Total
2026	\$ 315,000	\$ 233,088	\$ 548,088
2027	325,000	224,031	549,031
2028	335,000	214,281	549,281
2029	345,000	204,231	549,231
2030	355,000	193,881	548,881
2031-2035	1,955,000	793,431	2,748,431
2036-2040	2,315,000	431,725	2,746,725
2041-2042	1,045,000	55,125	1,100,125
	<u>6,990,000</u>	<u>2,349,793</u>	<u>9,339,793</u>
Plus: Unamortized premium	<u>141,145</u>		<u>141,145</u>
	<u>\$ 7,131,145</u>	<u>\$ 2,349,793</u>	<u>\$ 9,480,938</u>

Storm Drainage Revenue Bonds, Series 2016– Original Issue \$9,855,000

In February 2016, the Authority issued Storm Drainage Revenue Bonds, Series 2016 to provide funds to the City to finance certain improvements to the City's Storm Drainage System and fund a reserve account for the bonds. Principal is due annually on July 1, commencing July 1, 2016. Interest on bonds is payable semiannually on January 1 and July 1, commencing on July 1, 2017. During fiscal year 2025, the City made principal and interest payments totaling \$365,000 and \$284,375, respectively. The bonds mature on July 1, 2038, and the underlying serial and term bonds carry interest rates which vary from 2.0% to 5.0%.

The bonds are limited obligations of the Burlingame Financing Authority and are payable by the Authority solely from the revenues generally consisting of installment payments paid by the City to the Authority and from amounts on deposit in certain funds and accounts held under the trust agreement. The installment payments are special obligations of the City under the 2016 Installment Sale Agreement and are separately secured by a pledge of the system revenues of the Storm Drainage System. System revenues are required to be at least equal to 110% of the maximum annual debt service for all outstanding installment payments and all outstanding parity obligations during each fiscal year. The system revenues consist primarily of the Storm Drainage Fees approved by a majority of the parcel owners in the City voting at a special election May 5, 2009. Failure by the City to pay installment payments constitutes an event of default under the installment sale agreement, and the trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. The trustee has no right to accelerate the total unpaid principal amount of the installment payments. No such events of default occurred during the fiscal year ending June 30, 2025.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

A. Long-Term Debt from Governmental Activities (Continued)

For The Year Ending June 30	Principal	Interest	Total
2026	\$ 385,000	\$ 266,125	\$ 651,125
2027	405,000	246,875	651,875
2028	425,000	226,625	651,625
2029	450,000	205,375	655,375
2030	465,000	187,375	652,375
2031-2035	2,625,000	653,125	3,278,125
2036-2038	1,810,000	172,625	1,982,625
	<u>6,565,000</u>	<u>1,958,125</u>	<u>8,523,125</u>
Plus: Unamortized premium	<u>605,698</u>		<u>605,698</u>
	<u>\$ 7,170,698</u>	<u>\$ 1,958,125</u>	<u>\$ 9,128,823</u>

Lease Revenue Bonds, Series 2019 – Original Issue \$31,400,000

In December 2019, the Authority issued the Lease Revenue Bonds, Series 2019 to finance the construction and equipping of a portion of the Burlingame Community Center to be located at 850 Burlingame Avenue and to pay the costs of issuance of the bonds. The bonds were issued at a premium of \$7,831,615, which will be amortized over the life of the bonds. Principal and interest are due annually on July 1, commencing on June 1, 2020. During fiscal year 2025, the City made principal and interest payments totaling \$590,000 and \$1,407,500, respectively. The bonds mature on July 1, 2049, and the underlying serial and term bonds carry an interest rate of 5.0%.

The bonds are limited obligations of the Burlingame Financing Authority and are payable by the Authority solely from revenues consisting primarily of base rental payments paid by the City to the Authority and from amounts on deposit in certain funds and accounts held under the trust agreement. The City has covenanted in the facilities sublease to include all base rental payments and additional payments needed in its annual budgets. Should the City default under the facilities sublease, the trustee may terminate the sublease and recover certain damages from the City, or may retain the facilities sublease and hold the City liable for base rental payments as they become due. Base rental payments may not be accelerated upon a default under the facilities sublease. No such events of default occurred during the fiscal year ending June 30, 2025.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

A. Long-Term Debt from Governmental Activities (Continued)

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 620,000	\$ 1,378,000	\$ 1,998,000
2027	650,000	1,347,000	1,997,000
2028	685,000	1,314,500	1,999,500
2029	715,000	1,280,250	1,995,250
2030	755,000	1,244,500	1,999,500
2031-2035	4,365,000	5,618,500	9,983,500
2036-2040	5,575,000	4,412,000	9,987,000
2041-2045	7,115,000	2,871,750	9,986,750
2046-2049	7,080,000	906,250	7,986,250
	<u>27,560,000</u>	<u>20,372,750</u>	<u>47,932,750</u>
Plus: Unamortized premium	<u>6,395,818</u>		<u>6,395,818</u>
	<u>\$ 33,955,818</u>	<u>\$ 20,372,750</u>	<u>\$ 54,328,568</u>

Storm Drainage Revenue Bonds, Series 2021– Original Issue \$16,410,000

In June 2021, the Authority issued Storm Drainage Revenue Bonds, Series 2021 to provide funds to the City to finance certain improvements to the City’s Storm Drainage System and fund a reserve account for the bonds, and to refund the Storm Drainage Revenue Bonds, Series 2012. As a result, the refunded bonds are considered to be defeased, and the liability has been removed from the Statement of Net Position. The refunding resulted in an overall debt service savings of \$367,658. The net present value of the debt service savings is called an economic gain and amounted to \$980,368.

The principal is due annually on July 1, commencing July 1, 2021. Interest on bonds is payable semiannually on January 1 and July 1, commencing on July 1, 2021. During fiscal year 2025, the City made principal and interest payments totaling \$740,000 and \$576,600, respectively. The bonds mature on July 1, 2038, and the underlying serial and term bonds carry interest rates which vary from 2.0% to 5.0%.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

A. Long-Term Debt from Governmental Activities (Continued)

The bonds are limited obligations of the Burlingame Financing Authority and are payable by the Authority solely from the revenues generally consisting of installment payments paid by the City to the Authority and from amounts on deposit in certain funds and accounts held under the trust agreement. The installment payments are special obligations of the City under the 2021 Installment Sale Agreement and are separately secured by a pledge of the system revenues of the Storm Drainage System. System revenues are required to be at least equal to 110% of the maximum annual debt service for all outstanding installment payments and all outstanding parity obligations during each fiscal year. The system revenues consist primarily of the Storm Drainage Fees approved by a majority of the parcel owners in the City voting at a special election May 5, 2009. Failure by the City to pay installment payments constitutes an event of default under the installment sale agreement, and the trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. The trustee has no right to accelerate the total unpaid principal amount of the installment payments. No such events of default occurred during the fiscal year ending June 30, 2025.

<u>For The Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 775,000	\$ 547,000	\$ 1,322,000
2027	815,000	516,000	1,331,000
2028	850,000	483,400	1,333,400
2029	895,000	449,400	1,344,400
2030	945,000	413,600	1,358,600
2031-2035	5,440,000	1,465,000	6,905,000
2036-2038	3,955,000	321,600	4,276,600
	<u>13,675,000</u>	<u>4,196,000</u>	<u>17,871,000</u>
Plus: Unamortized premium	<u>2,774,442</u>		<u>2,774,442</u>
	<u>\$ 16,449,442</u>	<u>\$ 4,196,000</u>	<u>\$ 20,645,442</u>

PG&E On-Bill Financing 2019 Loans (Direct Borrowing)

The City entered into several loan agreements with Pacific Gas & Electric Company (PG&E) through the On-Bill Financing (OBF) Program to retrofit City lighting with qualified energy-saving lights throughout the City. The notes are to be repaid with future energy savings over various periods at interest rates of 0%.

Under this program, the City's bill after the retrofits are completed will be kept constant, rather than reduced based on energy savings. PG&E will use the City's financial savings from lower energy bills to service the debt associated with the upgrades.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

A. Long-Term Debt from Governmental Activities (Continued)

The annual requirements to repay the PG&E note outstanding as of June 30, 2025 are as follows:

<u>For The Year</u> <u>Ending June 30</u>	<u>Principal</u>
2026	\$ 29,737
2027	29,736
2028	26,193
2029	<u>2,827</u>
	<u>\$ 88,493</u>

B. Long-Term Debt from Business-Type Activities

Water and Wastewater Refunding Revenue Bonds, Series 2011 – Original Issue \$5,935,000

In 2011, the Authority issued \$5,935,000 of Water and Wastewater Refunding Revenue Bonds, Series 2011 to refund and defease all of the Authority's outstanding Water and Wastewater Revenue Bonds, Series 2003, which financed certain improvements to the City's water and wastewater system, and to pay the costs of issuance of the bonds. Principal is payable annually on April 1, commencing April 1, 2012. Interest on the bonds is payable semiannually on April 1 and October 1, commencing April 1, 2012. For the current year, principal and interest paid on the Water and Wastewater Bonds, Series 2011 were \$415,000 and \$81,501, respectively. Of this amount, principal and interest payments made by the Water Enterprise Fund were \$265,000 and \$52,063, respectively. Principal and interest payments made by the Sewer Enterprise Fund were \$150,000 and \$29,438, respectively.

The bonds mature on April 1, 2028, with an interest rate that varies from 4.00 to 4.75%. A premium of \$575,800 was paid and will be amortized over the life of the bond. The refunding transaction resulted in an economic gain of \$450,734 and a reduction of \$1,429,732 in future debt service payments.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

B. Long-Term Debt from Business-Type Activities (Continued)

The bonds are limited obligations of the Burlingame Financing Authority and are payable by the Authority solely from the revenues generally consisting of separate installment payments paid by the City to the Authority. The bonds are secured by a pledge of the net revenue generated from the water system, wastewater system, and from amounts on deposit in certain funds held under the trust agreement. Net system revenues are required to be at least equal to 120% of the installment payments and debt service for any parity obligations during each fiscal year, and net system revenues (excluding connection fees and money transferred from any rate stabilization fund) will be equal to at least 100% of the installment payments and debt service on other parity obligation during each fiscal year. The City is not obligated to use system net revenues from one system to make up for a deficiency in the installment payments in connection with the other system. Failure by the City to pay installment payments constitutes an event of default under the installment sale agreement, and the trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the trustee has the right to accelerate the total unpaid principal amount of the installment payments, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. No such events of default occurred during the fiscal year ending June 30, 2025.

For The Year Ending June 30	Principal	Interest	Total
2026	\$ 435,000	\$ 64,901	\$ 499,901
2027	455,000	43,151	498,151
2028	480,000	20,401	500,401
	<u>1,370,000</u>	<u>128,453</u>	<u>1,498,453</u>
Plus: Unamortized premium	104,161		104,161
	<u>\$ 1,474,161</u>	<u>\$ 128,453</u>	<u>\$ 1,602,614</u>

Water and Wastewater Revenue Refunding Bonds, Series 2013 – Original Issue \$14,260,000

In 2013, the Authority issued \$14,260,000 of Water and Wastewater Revenue Refunding Bonds, Series 2013 to advance refund the Authority's outstanding Water and Wastewater Revenue Bonds, Series 2004, which financed certain improvements to the City's water and wastewater system, and to pay the costs of issuance of the bonds. Principal is payable annually on April 1, commencing April 1, 2013. Interest on the bonds is payable semi-annually on April 1 and October 1, commencing October 1, 2013. During fiscal year 2025, the City made principal and interest payments of \$995,000 and \$207,076, respectively. Of this amount, principal and interest payments made by the Water Enterprise Fund were \$660,000 and \$137,438, respectively. Principal and interest payments made by the Sewer Enterprise Fund were \$335,000 and \$69,638, respectively. The bonds mature on April 1, 2029, with underlying serial and term bonds carrying an interest rate that varies from 2.00% to 5.00%. The bond was issued a premium of \$1,533,676 which will be amortized over the life of the bond. The refunding transaction resulted in an economic gain of \$584,903.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

B. Long-Term Debt from Business-Type Activities (Continued)

The bonds are limited obligations of the Burlingame Financing Authority and are payable by the Authority solely from the revenues generally consisting of separate installment payments paid by the City to the Authority. The bonds are secured by a pledge of the net revenue generated from the water system, wastewater system, and from amounts on deposit in certain funds held under the trust agreement. Net system revenues are required to be at least equal to 120% of the installment payments and debt service for any parity obligations during each fiscal year, and net system revenues (excluding connection fees and money transferred from any rate stabilization fund) will be equal to at least 100% of the installment payments and debt service on other parity obligation during each fiscal year. The City is not obligated to use system net revenues from one system to make up for a deficiency in the installment payments in connection with the other system. Failure by the City to pay installment payments constitutes an event of default under the installment sale agreement, and the trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the trustee has the right to accelerate the total unpaid principal amount of the installment payments, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. No such events of default occurred during the fiscal year ending June 30, 2025.

For The Year Ending June 30	Principal	Interest	Total
2026	\$ 1,050,000	\$ 157,326	\$ 1,207,326
2027	1,075,000	125,826	1,200,826
2028	1,120,000	82,826	1,202,826
2029	1,170,000	38,026	1,208,026
	<u>4,415,000</u>	<u>404,004</u>	<u>4,819,004</u>
Plus: Unamortized premium	360,867		360,867
	<u>\$ 4,775,867</u>	<u>\$ 404,004</u>	<u>\$ 5,179,871</u>

Water and Wastewater Revenue Refunding Bonds, Series 2016 – Original Issue \$17,585,000

In July 2016, the Authority issued \$17,585,000 of Water and Wastewater Revenue Refunding Bonds, Series 2016 to advance refund the Authority's outstanding Water and Wastewater Revenue Bonds, Series 2007, which financed certain improvements to the City's water and wastewater system, and to pay the costs of issuance of the bonds. Principal is payable annually on April 1, commencing April 1, 2017. Interest on the bonds is payable semi-annually on April 1 and October 1, commencing October 1, 2016. During fiscal year 2025, the City made principal and interest payments of \$1,185,000 and \$390,450, respectively. Of this amount, principal and interest payments made by the Water Enterprise Fund were \$620,000 and \$203,800, respectively. Principal and interest payments made by the Sewer Enterprise Fund were \$565,000 and \$186,650, respectively.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

B. Long-Term Debt from Business-Type Activities (Continued)

The bonds mature on April 1, 2031, with underlying serial and term bonds carrying an interest rate that varies from 2.00% to 5.00%. The bond was issued a premium of \$2,994,038 which will be amortized over the life of the bond.

The bonds are limited obligations of the Burlingame Financing Authority and are payable by the Authority solely from the revenues generally consisting of separate installment payments paid by the City to the Authority. The bonds are secured by a pledge of the net revenue generated from the water system, wastewater system, and from amounts on deposit in certain funds held under the trust agreement. Net system revenues are required to be at least equal to 120% of the installment payments and debt service for any parity obligations during each fiscal year, and net system revenues (excluding connection fees and money transferred from any rate stabilization fund) will be equal to at least 100% of the installment payments and debt service on other parity obligation during each fiscal year. The City is not obligated to use system net revenues from one system to make up for a deficiency in the installment payments in connection with the other system. Failure by the City to pay installment payments constitutes an event of default under the installment sale agreement, and the trustee is permitted to pursue remedies at law or in equity to enforce the City's obligation to make such payments. Although the trustee has the right to accelerate the total unpaid principal amount of the installment payments, there is no assurance that the City would have sufficient funds to pay the accelerated amounts. No such events of default occurred during the fiscal year ending June 30, 2025.

For The Year Ending June 30	Principal	Interest	Total
2026	\$ 1,250,000	\$ 331,200	\$ 1,581,200
2027	1,295,000	281,200	1,576,200
2028	1,350,000	229,400	1,579,400
2029	1,405,000	175,400	1,580,400
2030	1,460,000	119,200	1,579,200
2031	1,520,000	60,800	1,580,800
	<u>8,280,000</u>	<u>1,197,200</u>	<u>9,477,200</u>
Plus: Unamortized premium	1,197,610		1,197,610
	<u>\$ 9,477,610</u>	<u>\$ 1,197,200</u>	<u>\$ 10,674,810</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

B. Long-Term Debt from Business-Type Activities (Continued)

State Water Resources Control Board Loan, 2003 (Direct Borrowing) – Principal \$10,743,788

In 2003, the City entered into an agreement with the State of California Water Resources Control Board (CWRCB) to receive financial assistance for the improvement of the wastewater treatment plant which consists of upgrading the performance of several unit processes and increasing their reliability to help the plant meet discharge requirements. The loan is due in annual installment payments at an interest of 1.5%. Installment payments will start August 2007 and shall be fully amortized August 2026. The City is required to maintain compliance with all provisions of the loan. During fiscal year 2025, the City made principal and interest payments of \$663,090 and \$50,985, respectively.

For The Year Ending June 30	Principal	Interest	Total
2026	\$ 679,668	\$ 34,408	\$ 714,076
2027	696,659	17,417	714,076
	<u>\$ 1,376,327</u>	<u>\$ 51,825</u>	<u>\$ 1,428,152</u>

State Water Resources Control Board Loan, 2010 (Direct Borrowing) – Principal \$5,605,800

In 2010, the City entered into an agreement with CWRCB to receive financial assistance for the Influent Storm Water Retention Basin project at the City's wastewater treatment facility, which involves the construction of an influent storm water retention basin and associated pumping system, commencing in July 2011. The loan is due in annual installments payments at an interest of 2.9%, and the net revenues of the Sewer Fund are pledged for the prompt payment of debt service on the loan. Installment payments commenced July 2012 and shall be fully amortized in July 2031. The City is required to maintain compliance with all provisions of the loan. During fiscal year 2025, the City made principal and interest payments of \$294,143 and \$78,886, respectively.

For The Year Ending June 30	Principal	Interest	Total
2026	\$ 302,674	\$ 70,356	\$ 373,030
2027	311,451	61,578	373,029
2028	320,483	52,546	373,029
2029	329,777	43,253	373,030
2030	339,341	33,689	373,030
2031-2032	822,339	37,566	859,905
	<u>\$ 2,426,065</u>	<u>\$ 298,988</u>	<u>\$ 2,725,053</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

C. Future Debt Requirements

The future outstanding debt of the City, net of amortized costs as of June 30, 2025, for governmental activities is as follows:

TOTAL FUTURE DEBT REPAYMENTS - BONDS				TOTAL FUTURE DEBT REPAYMENTS - DIRECT BORROWINGS			
For The Year Ending June 30	Principal	Interest	Total	For The Year Ending June 30	Principal	Interest	Total
2026	\$ 2,745,000	\$ 2,950,706	\$ 5,695,706	2026	\$ 29,737	\$ -	\$ 29,737
2027	2,860,000	2,828,102	5,688,102	2027	29,736		29,736
2028	3,005,000	2,700,038	5,705,038	2028	26,193		26,193
2029	3,160,000	2,565,245	5,725,245	2029	2,827		2,827
2030	3,315,000	2,427,769	5,742,769		<u>\$ 88,493</u>	<u>\$ -</u>	<u>\$ 88,493</u>
2031-2035	19,130,000	9,821,720	28,951,720				
2036-2040	15,915,000	5,524,865	21,439,865				
2041-2045	8,160,000	2,926,875	11,086,875				
2046-2049	<u>7,080,000</u>	<u>906,250</u>	<u>7,986,250</u>				
	<u>65,370,000</u>	<u>32,651,570</u>	<u>98,021,570</u>				
Plus: Unamortized premium	<u>10,012,233</u>		<u>10,012,233</u>				
	<u>\$ 75,382,233</u>	<u>\$ 32,651,570</u>	<u>\$ 108,033,803</u>				

The future outstanding debt of the City, net of amortized costs as of June 30, 2025, for business-type activities is as follows:

TOTAL FUTURE DEBT REPAYMENTS - BONDS				TOTAL FUTURE DEBT REPAYMENTS - DIRECT BORROWINGS			
For The Year Ending June 30	Principal	Interest	Total	For The Year Ending June 30	Principal	Interest	Total
2026	\$ 2,735,000	\$ 553,427	\$ 3,288,427	2026	\$ 982,342	\$ 104,764	\$ 1,087,106
2027	2,825,000	450,177	3,275,177	2027	1,008,110	78,995	1,087,105
2028	2,950,000	332,627	3,282,627	2028	320,483	52,546	373,029
2029	2,575,000	213,426	2,788,426	2029	329,777	43,253	373,030
2030	1,460,000	119,200	1,579,200	2030	339,341	33,689	373,030
2031	<u>1,520,000</u>	<u>60,800</u>	<u>1,580,800</u>	2031-2032	<u>822,339</u>	<u>37,566</u>	<u>859,905</u>
	<u>14,065,000</u>	<u>1,729,657</u>	<u>15,794,657</u>		<u>\$ 3,802,392</u>	<u>\$ 350,813</u>	<u>\$ 4,153,205</u>
Plus: Unamortized premium	<u>1,662,638</u>		<u>1,662,638</u>				
	<u>\$ 15,727,638</u>	<u>\$ 1,729,657</u>	<u>\$ 17,457,295</u>				

D. Arbitrage Rebate Liability

Under U.S. Treasury Department regulations, all government tax – exempt debt issued after August 31, 1986, is subject to arbitrage rebate requirements. The requirements stipulate, in general, that the excess of earnings from the investment of tax-exempt bond proceeds over related interest expenditure on the bonds must be remitted to the federal government on every fifth anniversary of each bond issue. The city has valuated each outstanding debt obligation that is subjected to arbitrage rebate requirement and has determined that there is no arbitrage rebate liability as of June 30, 2025.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

E. Credit Rating

The City carried underlying ratings of AA+ for the Water and Sewer Funds, AA+ for the Storm Drainage Fund, and AAA as the City's institutional credit rating for general obligation debt. These ratings were most recently affirmed by Standard & Poor's in August 2019.

F. Revenue Pledge

The City has pledged future revenues to debt service on previously issued revenue bonds to finance the capital programs related to the Water and Sewer Funds or defease previously issued revenue bonds: (1) Water and Wastewater Revenue Bonds, Series 2011; (2) Water and Wastewater Refunding Revenue Bonds, Series 2013; (3) Water and Wastewater Refunding Revenue Bonds, Series 2016.

Debt services on certain bonds are payable solely through the net revenue of the activities of the Water and Sewer Funds.

Under the provisions of GASB Statement No. 48, the City's net revenue for the year ended June 30, 2025, and net amounts available to pay debt service on the revenue bonds are as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>
Pledged revenue required for future principal and interest	\$ 9,100,091	\$ 10,847,771
Principal and interest paid during the year	1,938,301	2,422,831
Net revenue, excluding depreciation and amortization	3,465,184	8,302,403
Percentage of revenue pledged	55.94%	29.18%
Term of commitment	2031	2032

G. Debt Service Coverage

Under the terms of the City's Indenture, the Water and Sewer Funds are required to collect sufficient net revenues each fiscal year, which may include any other unappropriated enterprise funds available for expenditure on debt service. The Indenture requires that net revenues are, at minimum, equal to 1.20 times annual debt service for the applicable fiscal year.

For the year ended June 30, 2025, the Water and Sewer Funds had sufficient net revenues to satisfy the requirements of the Indenture.

Under the terms of the City's Indenture, the Storm Drainage Fund is required to collect sufficient net revenues each fiscal year, which may include any other unappropriated funds available for expenditure on debt service. The Indenture requires that net revenues are, at minimum, equal to 1.10 times annual debt service for the applicable fiscal year. For the year ended June 30, 2025, the Storm Drainage Fund had sufficient net revenues to satisfy the requirements of the Indenture.

Other obligations relating to governmental activities are paid solely from available revenue of the City, such as the Lease Revenue Bonds Series 2010 and the Pension Obligation Bonds Series 2006, which are subordinate to previously issued parity debt relating to the Water and Sewer Funds.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

G. Debt Service Coverage (Continued)

The following table summarizes debt service coverage levels for the Water Fund for the fiscal year ending June 30, 2025:

Water Fund	
Gross operating revenue	\$ 20,261,667
Less: Operating expenses, except depreciation and amortization	<u>(16,796,483)</u>
Net revenue	3,465,184
Debt Service	
Water Refunding Bonds, Series 2016	823,800
Water Refunding Bonds, Series 2011	317,063
Water Refunding Bonds, Series 2013	<u>797,438</u>
Parity Debt Service	<u>1,938,301</u>
Pension Obligation Bond, Series 2006	<u>136,636</u>
Total Debt Service	<u>\$ 2,074,937</u>
Parity Debt Service Coverage	1.79
Total Debt Service Coverage	1.67

The following table summarizes debt service coverage levels for the Sewer Fund for the fiscal year ending June 30, 2025:

Sewer Fund	
Gross operating revenue	\$ 18,034,161
Less: Operating expenses, except depreciation and amortization	<u>(9,731,758)</u>
Net revenue	8,302,403
Debt Service	
State Water Resource Board Loan, 2003	\$ 714,076
Wastewater Refunding Bonds, Series 2016	751,650
State Water Resource Board Loan, 2010	373,029
Wastewater Refunding Bonds, Series 2011	179,438
Wastewater Refunding Bonds, Series 2013	<u>404,638</u>
Parity Debt Service	<u>2,422,831</u>
Pension Obligation Bond, Series 2006	<u>136,636</u>
Total Debt Service	<u>\$ 2,559,467</u>
Parity Debt Service Coverage	3.43
Total Debt Service Coverage	3.24

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

The following table summarizes debt service coverage levels for the Storm Drainage Fund for the fiscal year ending June 30, 2025:

Storm Drainage Fund	
Net Revenue, Excluding Depreciation and Amortization	\$ 4,215,565
Debt Service	
Storm Drain Revenue Bond, Series 2010*	615,108
Storm Drain Revenue Bond, Series 2016	649,375
Storm Drain Revenue Bond, Series 2021	<u>1,316,600</u>
Parity Debt Service	<u>\$ 2,581,083</u>
Parity Debt Service Coverage	1.63
* net of IRS refundable credits	

NOTE 8 – OTHER LONG-TERM LIABILITIES

A. Compensated Absences

The City's compensated absences consist of accumulated vacation, compensatory time, and administrative leave for management employees. The estimated unpaid compensated absences at June 30, 2025 are recorded in the government-wide and proprietary fund financial statements.

The City permits its employees to accumulate vacation hours up to a maximum of two years of annual accrual. Depending on the bargaining unit, sick leave is accumulated up to 2000 or 2080 hours. Upon retirement unused sick leave is reported to CalPERS and converted to service credit in accordance with CalPERS rules and procedures. Depending on the bargaining unit, an employee may elect to be compensated for up to 600 hours of unused sick leave and the remainder can be reported to CalPERS for conversion to service credit.

At retirement or termination, employees receive compensation for any unused vacation leave balance, any accrued compensatory time, and administrative leave for management employees. Such cash payments are recognized as expenditures of the government-wide and proprietary funds.

	<u>Governmental</u>	<u>Business</u>	<u>Total</u>
Balance on June 30, 2024	\$ 2,645,759	\$ 422,215	\$ 3,067,974
Net Change	<u>164,218</u>	<u>9,857</u>	<u>174,075</u>
Balance on June 30, 2025	<u>\$ 2,809,977</u>	<u>\$ 432,072</u>	<u>\$ 3,242,049</u>
Due Within One Year	<u>\$ 518,885</u>	<u>\$ 90,099</u>	<u>\$ 608,984</u>
Noncurrent Portion	<u>\$ 2,291,092</u>	<u>\$ 341,973</u>	<u>\$ 2,633,065</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 8 – OTHER LONG-TERM LIABILITIES (Continued)

B. Pollution Remediation Obligation

Landfill Closure and Post-Closure Costs

The City closed the Burlingame Landfill located on Airport Boulevard in accordance with the California Code of Regulations under the jurisdiction of the California Integrated Waste Management Board in 1987. The landfill had been filled to capacity and has been reconstructed as a multi-use recreational facility.

State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at the landfill site. These same regulations require the City to make annual contributions and/or provide an alternative funding mechanism to finance closure and post-closure costs. The City has collected a surcharge on solid waste collection fees in order to cover these costs. The City was also required by the Bay Area Air Quality Management Board to install a gas collection system.

In 1997, the City developed a post-closure plan that met all regulatory requirements. The post-closure estimate was \$3,660,000. In 2008, the City recognized an additional liability, as required by the State, for corrective action. The corrective action cost estimate was \$733,100. Consequently, the City recorded 100% of its closure and post-closure costs based upon these estimates. This estimate is based upon the original estimates for post-closure and corrective action costs as reported to the California Department of Resources Recycling and Recovery (CalRecycle) as adjusted, based on changes in the implicit price deflator for the gross national product in accordance with Title 27 of the California Code of Regulations, reduced by any permitted 15 year amortization of post-closure costs, and adjusted for incurred costs and expected costs of remediation. At June 30, 2025, the City's outstanding future post-closure and corrective action costs were estimated at \$3,991,322.

The City will fund ongoing post-closure costs with a combination of revenues from the surcharge and interest earnings. However, if these revenues are inadequate or additional post-closure care requirements are determined, these costs may need to be covered by additional garbage surcharges or from future tax revenue.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 9 – RISK MANAGEMENT

Self-Insurance and Contingent Liabilities

Effective July 1, 1976, and December 2, 1976, respectively, the City implemented a self-insurance program for workers' compensation and general liability. The City is a member of the Pooled Liability Assurance Network Joint Powers Authority (PLAN JPA), a joint powers insurance authority which consists of 28 member cities in the San Francisco Bay Area. PLAN JPA provides liability insurance with coverage, claims management, risk management services, and legal defense to its participating members. PLAN JPA is governed by a board of directors, which comprises officials appointed by each participating member. Premiums paid to PLAN JPA are subject to possible refund based on the results of actuarial studies and approval by PLAN JPA's board of directors. Premiums are assessed to the participants based on their individual loss experience. The PLAN JPA claim administrators set the reserve levels for known liability claims. General liability insurance coverage has been purchased by PLAN JPA for losses exceeding \$250,000 up to a maximum of \$35,000,000.

The workers' compensation program is administered by a third-party administrator (TPA). The TPA sets reserve levels for reported claims. Excess workers' compensation insurance has been purchased by the City for losses exceeding \$500,000 up to the maximum statutory limit.

The City's liabilities are reported when it is both probable that a loss has occurred, and the amount of the loss can be reasonably estimated. The claims and litigation liabilities are reported in the governmental activities of the government-wide financial statements and in the internal service fund and include an amount for claims that have been incurred but not reported. The liabilities are re-evaluated annually using the results of actuarial studies. The estimated liability for claims and litigation is calculated considering recent claim settlement trends, amounts for claims incurred but not reported, current settlements, frequency of claims, past experience, and economic factors.

Changes in the balances of the City's claims liabilities were as follows:

	Balance July 1	Current Year Claims and Changes in Estimates	Payments for Current and Prior Fiscal Years	Balance June 30
2015-2016	\$ 7,015,000	\$ 910,959	\$ (1,507,959)	\$ 6,418,000
2016-2017	6,418,000	1,675,414	(1,558,414)	6,535,000
2017-2018	6,535,000	1,591,781	(1,461,781)	6,665,000
2018-2019	6,665,000	1,311,960	(1,468,960)	6,508,000
2019-2020	6,508,000	2,068,422	(1,797,422)	6,779,000
2020-2021	6,779,000	3,672,000	(1,481,000)	8,970,000
2021-2022	8,970,000	1,095,797	(1,326,797)	8,739,000
2022-2023	8,739,000	2,548,985	(2,725,985)	8,562,000
2023-2024	8,562,000	736,998	(842,998)	8,456,000
2024-2025	8,456,000	601,366	(661,366)	8,396,000

There have been no significant reductions in any insurance coverage, nor have there been any insurance related settlements that exceeded insurance coverage during the past ten fiscal years.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 9 – RISK MANAGEMENT (Continued)

Self-Insurance and Contingent Liabilities (Continued)

In April 2025, an actuarial review was conducted and completed to identify the estimated liability for the City’s Self-Insured General Liability Program as well as determine the various funding confidence levels to cover that liability. The study estimated the expected liability for outstanding claims to be \$2,123,911 as of June 30, 2025. The study recommends that the City set aside an amount in addition to the discounted expected loss costs to be set aside as a margin for contingencies. As of June 30, 2025, the City has funded the general liability program at the expected level.

In April 2025, an actuarial review was conducted and completed to identify the estimated liability for the City’s Self-Insured Workers’ Compensation Program as well as determine the various funding confidence levels to cover that liability as of June 30, 2025. The study estimated that the outstanding claims at June 30, 2025, were \$5,191,584. The study also recommends that an amount be set aside as a margin for contingencies. As of June 30, 2025, the City has funded the workers’ compensation program at the expected level.

NOTE 10 – PENSION PLANS – COST-SHARING

The combined total for City’s both Miscellaneous and Safety pension plans are:

	Miscellaneous Plan	Safety Plan	
	Agent-Multiple	Cost-Sharing	Total
Net pension liabilities	\$ 48,802,999	\$ 38,584,470	\$ 87,387,469
Deferred outflows of resources	10,476,546	11,113,658	21,590,204
Deferred inflows of resources		1,002,768	1,002,768
Pension expenses	8,692,199	7,259,137	15,951,336

A. General information about the Safety Pension Plan

The City’s Safety Plan is part of the public agency cost-sharing multiple-employer defined benefit pension plan, which is administered by CalPERS. The Plan consists of a miscellaneous pool and a safety pool (also referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors two rate plans (Police Classic tier and Police PEPRAs tier) within the safety risk pool.

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

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 10 – PENSION PLANS – COST-SHARING (Continued)

A. General information about the Safety Pension Plan (Continued)

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

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

	Safety	
	<u>Classic</u>	<u>PEPRA</u>
	<u>Prior to</u>	<u>On or after</u>
Hire date	<u>January 1, 2013</u>	<u>January 1, 2013</u>
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of annual salary	3%	2.0 % - 2.7%
Required employee contribution rates	9%	14.50%
Required employer contribution rates	29.30%	14.72%

Beginning in fiscal year 2017, CalPERS collects employer contributions for the cost-sharing plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability and side fund. The dollar amounts are billed on a monthly basis. The City’s required contribution for the unfunded liability was \$3,043,821 fiscal year 2025.

Contributions – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change in plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contribution.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 10 – PENSION PLANS – COST-SHARING (Continued)

A. General information about the Safety Pension Plan (Continued)

For the year ended June 30, 2025, the contributions recognized as part of pension expense for each Plan were as follows:

	<u>Safety - Classic</u>	<u>Safety - PEPRA</u>	<u>Total</u>
Contributions - employer	\$ 3,619,957	\$ 473,239	\$ 4,093,196

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

As of June 30, 2025, the City reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Safety	<u>\$ 38,584,470</u>

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The City's proportion of the net pension liability was based on a projection of City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

	<u>Safety</u>
Proportion - June 30, 2023	<u>0.52176%</u>
Proportion - June 30, 2024	<u>0.52922%</u>
Change - Increase (Decrease)	<u>0.00746%</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 10 – PENSION PLANS – COST-SHARING (Continued)

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

For the year ended June 30, 2025, the City recognized a pension expense of \$7,259,137 for the Safety Plan. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions for the Safety Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,093,196	\$ -
Differences between actual and expected experience	3,148,836	(102,382)
Changes in assumptions	950,642	
Net differences between projected and actual earnings on plan investments	1,864,997	
Change in proportion	176,244	(588,762)
Differences between actual contributions and proportionate share of contributions	879,743	(311,624)
	<u>11,113,658</u>	<u>(1,002,768)</u>
Total	<u>\$ 11,113,658</u>	<u>\$ (1,002,768)</u>

\$4,093,196 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Annual Amortization
2026	\$ 2,257,863
2027	4,395,249
2028	2,700
2029	(638,118)
Total	<u>\$ 6,017,694</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 10 – PENSION PLANS – COST-SHARING (Continued)

C. Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

		<u>Safety</u>
1% Decrease		5.90%
Net Pension Liability	\$	54,741,834
Current Discount Rate		6.90%
Net Pension Liability	\$	38,584,470
1% Increase		7.90%
Net Pension Liability	\$	25,370,017

Actuarial assumptions and information regarding the discount rate are discussed in Note 10D.

D. Information Common to the Miscellaneous (Footnote 11) and Safety Plans

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

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service (1)
Investment Rate of Return	6.90% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

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

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

(3) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvements using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 10 – PENSION PLANS – COST-SHARING (Continued)

D. Information Common to the Miscellaneous (Footnote 11) and Safety Plans (Continued)

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectation. Using historical returns of all the funds' asset classes, expected (geometric) compound returns were calculated over the next 20 years a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 10 – PENSION PLANS – COST-SHARING (Continued)

D. Information Common to the Miscellaneous (Footnote 11) and Safety Plans (Continued)

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

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return (2)</u>
Global Equity - Cap-weighted	30.0%	4.54%
Global Equity - Non-Cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

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

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

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

NOTE 11 – PENSION PLANS – MULTIPLE EMPLOYER

A. General information about the Miscellaneous Pension Plan

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

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 11 – PENSION PLANS – MULTIPLE EMPLOYER (Continued)

A. General information about the Miscellaneous Pension Plan (Continued)

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

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	7.68%	7.25%
Required employer contribution rates	12.35%	12.35%

Employees Covered – As of the June 30, 2023 actuarial valuation date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	318
Inactive employees entitled to but not yet receiving benefits	217
Active employees	193
Total	<u>728</u>

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 11 – PENSION PLANS – MULTIPLE EMPLOYER (Continued)

B. Net Pension Liability

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The City's proportion of the net pension liability was based on a projection of City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

C. Changes in the Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous Plan follow:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2023	\$ 186,182,807	\$ 134,748,017	\$ 51,434,790
Changes in the year:			
Service cost	3,761,406		3,761,406
Interest on Total Pension Liability	12,736,090		12,736,090
Changes of Benefit Terms			
Changes in Assumptions			
Differences between Expected and Actual experience	1,797,642		1,797,642
Net Plan to Plan Resource Movement			
Contribution - Employer		6,458,510	(6,458,510)
Contribution - Employee		1,613,376	(1,613,376)
Net Investment Income		12,964,688	(12,964,688)
Benefit payments, including Refunds of Employee Contributions	(10,560,300)	(10,560,300)	
Administrative Expenses		(109,645)	109,645
Other Miscellaneous Income/(Expense)			
Net changes	7,734,838	10,366,629	(2,631,791)
Balance at June 30, 2024	\$ 193,917,645	\$ 145,114,646	\$ 48,802,999

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 11 – PENSION PLANS – MULTIPLE EMPLOYER (Continued)

C. Changes in the Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the City for Miscellaneous Plan, calculated using the discount rate, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is one percentage point lower or higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	5.90%
Net Pension Liability	\$ 73,796,222
Current Discount Rate	6.90%
Net Pension Liability	\$ 48,802,999
1% Increase	7.90%
Net Pension Liability	\$ 28,163,882

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2025, the City recognized a pension expense of \$8,692,199 for the Miscellaneous Plan. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 7,071,893	\$ -
Change of Assumptions		
Differences between actual and expected experience	1,410,911	
Net differences between projected and actual earnings on plan investments	1,993,742	
Total	<u>\$ 10,476,546</u>	<u>\$ -</u>

\$7,071,893 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2025	\$ 749,892
2026	3,994,019
2027	(586,992)
2028	(752,266)
Total	<u>\$ 3,404,653</u>

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 11 – PENSION PLANS – MULTIPLE EMPLOYER (Continued)

E. Payable to the Miscellaneous Pension Plan

At June 30, 2025, the City reported no payable for the outstanding amount of employer and member contributions to the Miscellaneous pension plan required for the year ended June 30, 2025.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – HEALTHCARE (OPEB)

A. Plan Description

The City of Burlingame has established a Retiree Healthcare Plan (Plan), and participates in an agent multiple-employer defined benefit retiree healthcare plan. The Plan provides post-employment healthcare benefits to eligible employees who retire directly from the City under CalPERS at the minimum age of 50 with at least 5 years of CalPERS service or disability. Retirees must make a retirement election with CalPERS within 120 days following the date of separation from the City. Benefit provisions are established and may be amended through agreements and memorandums of understanding (MOUs) between the City, its management employees, and unions representing City employees.

The City participates in the CalPERS healthcare program (PEMHCA) and allow retirees to continue participation in the medical insurance program after retirement. Under the Plan, the City pays retiree healthcare benefits up to a cap for eligible retirees and dependents based on bargaining unit and hire date. Employees hired on or after January 1, 2012 (or an earlier date as defined in the MOUs) are only eligible to receive a City contribution equal to the PEMHCA minimum upon retirement from the City. As stated above, an individual must also qualify as a CalPERS annuitant in order to receive this benefit. No dental, vision or life insurance benefits are provided.

In addition, the City provides a defined contribution retiree healthcare plan for eligible employees. Employees hired after January 1, 2012 (or an earlier date as defined in the MOUs) are enrolled in a retiree health savings plan (RHS Plan) after meeting the service requirement defines in the MOUs. Upon enrollment, the City contributes 2.0% of the employee's annual base pay into the RHS Plan based on the benefit provisions in the MOUs. Contributions cease upon termination from employment.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – HEALTHCARE (OPEB) (Continued)

B. Employees Covered by Benefit Terms

At June 30, 2023 (the Valuation date), the benefit terms covered the following employees:

Active employees	224
Inactive employees currently receiving benefit payments	280
Inactive employees entitled to but not yet receiving benefit payments	0
Total	<u>504</u>

C. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability for the Plan used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023, using standard update procedures. For governmental funds, the General Fund has been primarily used to liquidate OPEB liabilities.

Actuarial Assumptions: The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Assumption	June 30, 2024 Measurement Date
Actuarial valuation date	June 30, 2023
Inflation	2.5%
Salary increases	2.75%. Additional merit-based increases based on CalPERS 2000-2019 Experience Study
Investment rate of return	5.75%
Healthcare cost trend rates	
-Non-Medicare	8.50%
-Medicare (Non-Kaiser)	7.50%
-Medicare (Kaiser)	6.25%
Mortality rate	CalPERS 2000-2019 Experience Study

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – HEALTHCARE (OPEB) (Continued)

C. Net OPEB Liability (Continued)

Long-Term Expected Rate of Return: The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	34%	4.56%
Fixed income	41%	1.56%
TIPS	5%	-0.08%
Commodities	3%	1.22%
REITs	17%	4.06%
Total	100%	

Discount Rate: The discount rate used to measure the total OPEB liability is 5.75%. This is the expected long-term rate of return on City assets using investment strategy 2 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – HEALTHCARE (OPEB) (Continued)

D. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at 6/30/2024:	\$ 64,915,512	\$ 28,560,251	\$ 36,355,261
Changes Recognized for the Measurement Period:			
Service Cost	892,327		892,327
Interest on the total OPEB liability	3,679,252		3,679,252
Expected investment income		2,347,266	(2,347,266)
Contributions			
Employer - City's Contribution		3,494,556	(3,494,556)
Employer - Implicit Subsidy		517,479	(517,479)
Employee			
Net investment income			
Administrative expenses		(19,547)	19,547
Difference between expected and actual experience			
Changes of assumptions			
Implicit rate subsidy fulfilled			
Benefit payments	(3,641,697)	(3,641,697)	
Net Changes	<u>929,882</u>	<u>2,698,057</u>	<u>(1,768,175)</u>
Balance at 6/30/2025: (Measurement Date 6/30/24)	<u><u>\$ 65,845,394</u></u>	<u><u>\$ 31,258,308</u></u>	<u><u>\$ 34,587,086</u></u>

Sensitivity of the net OPEB liability to changes in the discount rate: The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (4.75%) or one percentage point higher (6.75%) follows:

Net OPEB Liability/(Asset)		
Discount Rate -1% (4.75%)	Discount Rate (5.75%)	Discount Rate +1% (6.75%)
\$ 42,146,250	\$ 34,587,086	\$ 28,263,035

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – HEALTHCARE (OPEB) (Continued)

D. Changes in the Net OPEB Liability (Continued)

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates: The net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.00) or one percentage point higher (7.00%) than current healthcare cost trend rates follows:

Net OPEB Liability/(Asset)		
1% Decrease	Healthcare Cost Trend Rates	1% Increase
\$ 27,402,092	\$ 34,587,086	\$ 43,208,255

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

For the year ended June 30, 2025, the City recognized an OPEB expense of \$6,266,041. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Actual and Expected Experience	\$ 9,706,583	\$ (993,166)
Employer contributions made subsequent to the measurement date	4,448,833	
Net differences between Projected and Actual Earnings	1,210,507	
Changes of assumptions	3,324,495	
Total	\$ 18,690,418	\$ (993,166)

\$4,448,833 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Annual Amortization
2026	\$ 4,014,888
2027	5,196,415
2028	3,475,372
2029	561,744
Total	\$ 13,248,419

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – HEALTHCARE (OPEB) (Continued)

F. Funding Policy

The contribution requirements of the Plan participants and the City are established and may be amended by the City.

In September 2013, the City established an irrevocable trust to prefund its unfunded actuarially accrued liability for retiree health care benefits. The California Employers' Retiree Benefit Trust Fund (CERBT), a multi-employer trust, is administered by CalPERS which also invests trust fund deposits made by the City on behalf of retirees. The City pre-funds the Plan by contributing the City's Actuarially Determined Contribution (ADC) every year to the CERBT. During fiscal year 2025, the City made deposits total \$280,000 for fiscal year 2025 to the trust. As of June 30, 2025, the cash balance in the City's account within the trust was \$34,830,172.

NOTE 13 – NET POSITION AND FUND BALANCES

A. Net Position

Net position is the excess of all the City's assets and deferred outflows over all its liabilities and deferred inflow, regardless of fund. Net position is divided into three captions on the Statement of Net Position. These captions apply only to net position, which is determined at the Government-wide level and proprietary funds and are described as follows:

Net investment in capital assets, describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements and funds restricted to low and moderate income purposes.

Unrestricted describes the portion of net position which is not restricted as to use.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified in accordance with GASB Statement Number 54 (GASB 54), Fund Balance Reporting and Governmental Fund Type Definitions, which requires the City to classify its fund balances based on the long-term amounts of loans and on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint as follows:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as inventories and prepaids, the long-term amounts of loans and notes receivable and land held for resale are included. However, if proceeds realized from the sale or collection of nonspendable assets are restricted, committed or assigned, then nonspendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Nonspendable amounts subject to restrictions are included along with spendable resources.

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

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designees and may be changed at the discretion of the City Council or its designees. The City Council has not delegated the authority to make assignments of fund balance. This category includes nonspendables, when it is the City's intent to use proceeds or collections for a specific purpose and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

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

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

Committed and Assigned Fund Balance

In 2015, the City Council adopted a General Fund Reserve Policy by resolution. The policy, based on an analysis of risks specific to the City, establishes targeted levels for an Economic Stability Reserve (24% of budgeted revenues), Catastrophic Reserve amount of \$2,000,000, as well as a Contingency Reserve amount of \$500,000. The actual reserve levels are adopted by resolution with each annual budget, or as recommended by the Finance Director based upon an update of the City's fiscal needs or forecasts during the year.

As the City Council and management can only use reserves for purposes consistent with the purposes described in the policy, these reserve amounts are reported as assignments of the General Fund's balance.

The aggregate balance of the General Fund's assigned fund balance was \$27,243,570 as of June 30, 2025. The breakdown is shown below:

- The Economic Stability Reserve is available to protect and preserve City services from dramatic drops in General Fund revenues that are highly sensitive to economic conditions, mainly sales taxes and transient occupancy taxes. The balance at June 30, 2025, was \$21,658,000.
- The Catastrophic Reserve is available to make repairs and reconstruct City buildings and facilities that may be damaged by natural disasters or acts of war and terrorism. The balance at June 30, 2025, was \$2,000,000.
- The Contingency Reserve is available to cover unexpected expenses that may arise during the course of the fiscal year that were not considered during budget planning. The balance at June 30, 2025, was \$500,000.
- Encumbrances and Reappropriations represent commitments related to contracts not yet performed and purchase orders not yet filled or appropriations for specific activities approved late in the fiscal year that were not encumbered by contractual arrangements by the end of the fiscal year. The total of encumbrances and reappropriations at June 30, 2025 were \$3,085,570.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balances (Continued)

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

Fund Balance Classifications	General Fund	Storm Drainage Fund	Development Fees Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total
Nonspendable:							
Items not in spendable form:							
Prepays	\$ 73,754	\$ -	\$ -	\$ -	\$ 168,415	\$ -	\$ 242,169
Total Nonspendable Fund Balances	<u>73,754</u>				<u>168,415</u>		<u>242,169</u>
Restricted for:							
Employee pension benefits	22,310,544						22,310,544
Special revenue programs:							
Development fees			29,085,842				29,085,842
Local grants						1,465,512	1,465,512
Measure A and gas tax						4,798,515	4,798,515
Measure W						2,674,172	2,674,172
Special assessment district						488,988	488,988
Other						1,651,727	1,651,727
Capital projects		12,488,116		5,740,774			18,228,890
Debt service				1,984,487			1,984,487
Total Restricted Fund Balances	<u>22,310,544</u>	<u>12,488,116</u>	<u>29,085,842</u>	<u>7,725,261</u>		<u>11,078,914</u>	<u>82,688,677</u>
Committed to:							
Capital projects					45,353,207		45,353,207
Total Committed Fund Balances					<u>45,353,207</u>		<u>45,353,207</u>
Assigned to:							
Encumbrances and reappropriations	3,085,570						3,085,570
Contingency reserve	500,000						500,000
Economic stability reserve	21,658,000						21,658,000
Catastrophic event reserve	2,000,000						2,000,000
Capital projects					16,767,670		16,767,670
Total Assigned Fund Balances	<u>27,243,570</u>				<u>16,767,670</u>		<u>44,011,240</u>
Unassigned:	<u>8,016,324</u>						<u>8,016,324</u>
Total Fund Balances	<u>\$ 57,644,192</u>	<u>\$ 12,488,116</u>	<u>\$ 29,085,842</u>	<u>\$ 7,725,261</u>	<u>\$ 62,289,292</u>	<u>\$ 11,078,914</u>	<u>\$ 180,311,617</u>

C. PARS Trust

During fiscal year 2018, the City established an irrevocable trust with Public Agency Retirements Services (PARS) to set aside funds for pension liability.

At June 30, 2025, the balance in the trust was \$26,611,933. The City Council reserves the authority to review and amend this funding policy from time to time, in order to ensure the funding policy continues to best suit the circumstances of the City.

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 13 – NET POSITION AND FUND BALANCES (Continued)

D. Net Investment in Capital Assets

The balances related to Net Investment in Capital Assets are comprised of the following as of June 30, 2025:

	Governmental Activities	Business-Type Activities	Total
Capital Asset, Net of accumulated depreciation:	\$ 226,745,830	\$ 129,314,967	\$ 356,060,797
Minus: Capital Related Long-term Debt:	(70,800,726)	(19,065,264)	(89,865,990)
Capital Related Accounts Payable and Retention Payable	(2,773,566)	(1,184,916)	(3,958,482)
Adding back Unspent Bond Proceeds	5,740,774	458,132	6,198,906
	<u>\$ 158,912,312</u>	<u>\$ 109,522,919</u>	<u>\$ 268,435,231</u>

	Capital Projects Fund	Water CIP Fund	Sewer CIP Fund	Parking CIP Fund	Total
Capital Related Liabilities					
Accounts Payable	\$ 2,292,709	\$ 261,063	\$ 672,421	\$ 92,688	\$ 3,318,881
Retention Payable	480,857	6,467	141,473	0	628,797
	<u>\$ 2,773,566</u>	<u>\$ 267,530</u>	<u>\$ 813,894</u>	<u>\$ 92,688</u>	<u>\$ 3,947,678</u>

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES

A. Grant Programs

The City may, from time to time, participate in Federal and State grant programs. No cost allowances were proposed as a result of the City's financial audit. As of June 30, 2025, the City has not made an allowance for expenditures which may be disallowed by the granting agencies. Any disallowance for expenditures is expected to be immaterial.

B. Litigation

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney, there is one case pending in which there is at least a possibility that the plaintiff could be entitled to monetary damages. However, the City believes that its financial position would not be adversely affected due to the availability of reserves in the remote event that the plaintiff prevails.

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

C. Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge

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

In 2009 the City entered into a new 25 year agreement with the SFPUC. Under the new agreement, the SFPUC issues revenue bonds and the debt service (which also includes an interest component) is paid for through rates over the life of the bonds.

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

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

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

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

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

CITY OF BURLINGAME, CALIFORNIA
NOTES TO THE BASIC FINANCIAL STATEMENTS (Continued)
JUNE 30, 2025

NOTE 14 – COMMITMENTS AND CONTINGENT LIABILITIES (Continued)

C. Bay Area Water Supply and Conservation Agency Revenue Bonds Surcharge (Continued)

The City paid its surcharge of \$659,865 during fiscal year 2025, which is included as a component of purchased water expenses in the Water Enterprise Fund. The surcharge for fiscal year 2026 is estimated to be \$570,732.

D. Contingent Liabilities

On September 29, 2018, the Governor of California approved Assembly Bill No. 1912, which requires member agencies of an agency established pursuant to a joint powers agreement that participates in, or contracts with, a public retirement system, prior to filing a notice of termination or upon notice of potential termination by the Board of Administration of the Public Employees' Retirement System (PERS), to mutually agree as to the apportionment of the agency's retirement obligations among themselves, provided that the agreement equals 100% of the retirement liability of the agency.

If the member agencies are unable to mutually agree to the apportionment, the bill requires the PERS board to apportion the retirement liability of the agency to each member agency, as specified, and would establish procedures allowing a member agency to challenge the board's determination through the arbitration process. This bill also requires the PERS board to enter into the above described agreement upon request of a member agency of a terminating agency formed under the Joint Exercise of Powers Act and providing that the member agencies of the terminating agency are liable to the system for inadequate funding of the benefits pursuant to the agreement.

This bill extends that liability and lien to all of the parties of a terminating agency that was formed under the Joint Exercise of Powers Act. In addition, the bill requires the PERS board, prior to exercising its authority to reduce benefits and to the extent consistent with its fiduciary duties, to consider and exhaust all options and necessary actions, including evaluating whether to bring a civil action against any member agencies to compel payment of the terminated public agency's pension obligations.

As of June 30, 2025, the City participated in the following joint powers agreements that participate in, or contracts with, a public retirement system:

- Central County Fire District – CCFD (fire, emergency medical, disaster preparedness)
- San Mateo County Pre-Hospital Emergency Services Group –SMCPHESG (pre-hospital emergency services, ambulance transport, first response)

The City is not aware that any of these agencies are in the process of termination or facing potential termination by the PERS board.



Annual Comprehensive Financial Report

June 30, 2025

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 1 – COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN

**Safety Plan, Cost-Sharing Multiple-Employer Defined Pension Plan
Last 10 Years
SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	Safety Plan				
Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan's Proportion of the Net Pension Liability/Asset	0.44660%	0.45659%	0.45193%	0.46735%	0.47296%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 18,401,988	\$ 23,647,731	\$ 27,003,552	\$ 27,421,719	\$ 29,524,728
Plan's Covered Payroll	\$ 4,478,926	\$ 4,671,613	\$ 4,834,326	\$ 4,880,736	\$ 4,684,900
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	410.86%	506.20%	558.58%	561.84%	630.21%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	22.03%	27.54%	29.02%	28.73%	29.97%
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Plan's Proportion of the Net Pension Liability/Asset	0.48084%	0.62028%	0.53363%	0.52176%	0.52922%
Plan's Proportionate Share of the Net Pension Liability/(Asset)	\$ 32,035,051	\$ 21,768,482	\$ 36,669,124	\$ 39,000,978	\$ 38,584,470
Plan's Covered Payroll	\$ 5,083,094	\$ 5,279,607	\$ 5,169,425	\$ 5,208,681	\$ 5,759,890
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of it's Covered Payroll	630.23%	412.31%	709.35%	748.77%	669.88%
Plan's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of the Plan's Total Pension Liability	31.35%	20.55%	32.91%	33.74%	32.62%

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 1 – COST-SHARING MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (Continued)

Safety Plan, Cost-Sharing Multiple-Employer Defined Pension Plan
Last 10 Years
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	Safety Plan				
	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 1,686,060	\$ 1,923,807	\$ 2,106,261	\$ 2,369,301	\$ 2,767,532
Contributions in relation to the actuarially determined contributions	(1,686,060)	(1,923,807)	(2,106,261)	(2,369,301)	(2,767,532)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,671,613	\$ 4,834,326	\$ 4,880,736	\$ 4,684,900	\$ 5,083,094
Contributions as a percentage of covered payroll	36.09%	39.79%	43.15%	50.57%	54.45%
Notes to Schedule					
Valuation date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018

Fiscal Year Ended June 30	Safety Plan				
	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 3,060,060	\$ 3,339,704	\$ 3,615,749	\$ 3,775,363	\$ 4,093,196
Contributions in relation to the actuarially determined contributions	(3,060,060)	(3,339,704)	(3,615,749)	(3,775,363)	(4,093,196)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,279,607	\$ 5,169,425	\$ 5,208,681	\$ 5,759,890	\$ 5,325,560
Contributions as a percentage of covered payroll	57.96%	64.60%	69.42%	65.55%	76.86%
Notes to Schedule					
Valuation date:	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	20 years
Asset valuation method	Fair Value of Assets
Inflation	2.30%
Salary increases	2.80%
Retirement age	The probabilities of retirement are based on the CalPERS Experience Study
Mortality	The probabilities of mortality are based on the CalPERS' Experience Study.
	Pre-retirement and Post-retirement mortality rates include future years of projected mortality improvement using 80% of the Society of Actuaries' Scale MP-2020.

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 – AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN

Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
Last 10 Years
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Measurement Date	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Total Pension Liability					
Service Cost	\$ 2,374,018	\$ 2,440,538	\$ 2,891,884	\$ 2,954,416	\$ 3,112,725
Interest	9,244,742	9,456,322	9,717,799	10,042,619	10,492,653
Changes of Benefit Terms					
Differences Between Expected and Actual Experience	(1,273,339)	(1,959,467)	(570,100)	332,948	962,894
Changes of Assumptions	(2,208,472)		7,865,663	(1,056,903)	
Benefit Payments, including Refunds of Employee Contributions	(6,895,260)	(6,958,358)	(7,275,386)	(7,472,690)	(8,017,140)
Net Change in Total Pension Liability	1,241,689	2,979,035	12,629,860	4,800,390	6,551,132
Total Pension Liability - Beginning	126,588,733	127,830,422	130,809,457	143,439,317	148,239,707
Total Pension Liability - Ending (a)	\$ 127,830,422	\$ 130,809,457	\$ 143,439,317	\$ 148,239,707	\$ 154,790,839
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,605,414	\$ 2,936,966	\$ 3,362,448	\$ 3,612,106	\$ 4,093,017
Contributions - Employee	1,064,874	1,112,768	1,357,763	1,234,017	1,290,194
Net Investment Income	2,248,984	487,558	10,862,212	8,765,961	7,207,344
Benefit Payments, including Refunds of Employee Contributions	(6,895,260)	(6,958,358)	(7,275,386)	(7,472,690)	(8,017,140)
Net Plan to Plan Resource Movement	40,946	(98)	(397,322)	(256)	
Administration Expense	(111,650)	(60,485)	(142,865)	(162,887)	(78,639)
Other Miscellaneous Income/(Expense)				(309,326)	256
Net Change in Plan Fiduciary Net Position	(1,046,692)	(2,481,649)	7,766,850	5,666,925	4,495,032
Plan Fiduciary Net Position - Beginning	100,292,022	99,245,330	96,763,681	104,530,531	110,197,456
Plan Fiduciary Net Position - Ending (b)	\$ 99,245,330	\$ 96,763,681	\$ 104,530,531	\$ 110,197,456	\$ 114,692,488
Net Pension Liability - Ending (a)-(b)	\$ 28,585,092	\$ 34,045,776	\$ 38,908,786	\$ 38,042,251	\$ 40,098,351
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.64%	73.97%	72.87%	74.34%	74.10%
Covered Payroll	\$ 13,191,923	\$ 13,560,054	\$ 14,918,921	\$ 15,717,707	\$ 16,412,886
Net Pension Liability as Percentage of Covered-Employee Payroll	216.69%	251.07%	260.80%	242.03%	244.31%

Notes to Schedule:

Benefit changes. The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes in assumptions. There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 – AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (Continued)

<u>6/30/2020</u>	<u>6/30/2021</u>	<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>
\$ 3,084,811	\$ 3,216,680	\$ 3,704,789	\$ 3,653,274	\$ 3,761,406
10,983,947	11,394,666	11,734,796	12,211,982	12,736,090
			193,985	
1,525,345	224,588	(159,887)	822,584	1,797,642
		5,059,627		
(8,473,915)	(8,755,976)	(9,347,229)	(9,682,099)	(10,560,300)
7,120,188	6,079,958	10,992,096	7,199,726	7,734,838
154,790,839	161,911,027	167,990,985	178,983,081	186,182,807
<u>\$ 161,911,027</u>	<u>\$ 167,990,985</u>	<u>\$ 178,983,081</u>	<u>\$ 186,182,807</u>	<u>\$ 193,917,645</u>
\$ 4,673,324	\$ 5,216,872	\$ 5,667,942	\$ 6,116,378	\$ 6,458,510
1,287,721	1,434,333	1,437,144	1,483,000	1,613,376
5,639,668	26,459,995	(10,636,193)	7,988,024	12,964,688
(8,473,915)	(8,755,976)	(9,347,229)	(9,682,099)	(10,560,300)
			8,961	
(161,688)	(117,533)	(88,392)	(94,808)	(109,645)
2,965,110	24,237,691	(12,966,728)	5,819,456	10,366,629
114,692,488	117,657,598	141,895,289	128,928,561	134,748,017
<u>\$ 117,657,598</u>	<u>\$ 141,895,289</u>	<u>\$ 128,928,561</u>	<u>\$ 134,748,017</u>	<u>\$ 145,114,646</u>
<u>\$ 44,253,429</u>	<u>\$ 26,095,696</u>	<u>\$ 50,054,520</u>	<u>\$ 51,434,790</u>	<u>\$ 48,802,999</u>
72.67%	84.47%	72.03%	72.37%	74.83%
\$ 16,638,248	\$ 18,069,293	\$ 18,356,128	\$ 19,016,758	\$ 20,676,797
265.97%	144.42%	272.69%	270.47%	236.03%

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 2 – AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN (Continued)

Miscellaneous Plan, an Agent Multiple-Employer Defined Pension Plan
Last 10 Years
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 2,929,226	\$ 3,370,189	\$ 3,611,599	\$ 4,093,018	\$ 4,647,118
Contributions in relation to the actuarially determined contributions	<u>(2,929,226)</u>	<u>(3,370,189)</u>	<u>(3,611,599)</u>	<u>(4,093,018)</u>	<u>(4,647,118)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 13,560,054	\$ 14,918,921	\$ 15,717,707	\$ 16,412,886	\$ 16,638,248
Contributions as a percentage of covered payroll	21.60%	22.59%	22.98%	24.94%	27.93%
Notes to Schedule					
Valuation date:	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Fiscal Year Ended June 30	2021	2022	2023	2024	2025
Actuarially determined contribution	\$ 5,217,323	\$ 5,665,506	\$ 6,114,854	\$ 6,458,510	\$ 7,071,893
Contributions in relation to the actuarially determined contributions	<u>(5,217,323)</u>	<u>(5,665,506)</u>	<u>(6,114,854)</u>	<u>(6,458,510)</u>	<u>(7,071,893)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 18,069,293	\$ 18,356,128	\$ 19,016,758	\$ 20,676,797	\$ 21,710,757
Contributions as a percentage of covered payroll	28.87%	30.86%	32.16%	31.24%	32.57%
Notes to Schedule					
Valuation date:	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Methods and assumptions used to determine contribution rates:					
Actuarial cost method	Entry age				
Amortization method	Level percentage of payroll				
Remaining amortization period	20 years				
Asset valuation method	Fair Value of Assets				
Inflation	2.30%				
Salary increases	Varies by category, entry age, and duration of service.				
Retirement age	The probabilities of Retirement are based on the CalPERS Experience Study.				
Mortality	The post-retirement mortality rates are for 2017 and are projected generationally for future years using 80% of the Society of Actuaries' Scale MP-2020.				



Annual Comprehensive Financial Report

June 30, 2025

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 3 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Schedule of Changes in the Net OPEB Liability and Related Ratios
An Agent Multi-Employer Defined Benefits Retiree Healthcare Plan
Last 10 fiscal years*

Measurement Date	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021
Total OPEB Liability (1)					
Service Cost	\$ 1,076,983	\$ 1,109,292	\$ 1,165,244	\$ 843,673	\$ 784,098
Interest	3,715,640	3,831,234	3,939,278	3,252,206	3,370,976
Changes of benefit terms					
Differences between expected and actual experience			(6,552,966)	210,694	(4,965,830)
Changes of assumptions		82,179	(2,456,857)	(2,273,864)	3,222,757
Implicit rate subsidy fulfilled	(627,012)	(672,658)	(675,769)	(582,560)	
Benefit payments	(2,779,180)	(2,735,249)	(2,765,515)	(2,824,141)	(3,876,392)
Net change in total OPEB liability	1,386,431	1,614,798	(7,346,585)	(1,373,992)	(1,464,391)
Total OPEB liability - beginning	51,665,130	53,051,561	54,666,359	47,319,774	45,945,782
Total OPEB liability - ending (a)	\$ 53,051,561	\$ 54,666,359	\$ 47,319,774	\$ 45,945,782	\$ 44,481,391
OPEB fiduciary net position					
Net investment income	\$ 1,236,932	\$ 1,113,358	\$ 1,146,645	\$ 728,615	\$ 5,937,564
Contributions - employer	4,402,957	4,323,894	5,064,694	4,652,150	5,423,385
Contributions - Implicit Subsidy	627,012	672,658	675,769	582,560	
Contributions - employee					
Administrative expense	(5,990)	(7,856)	(3,777)	(10,065)	(8,681)
Implicit rate subsidy fulfilled	(627,012)	(672,658)	(675,769)	(582,560)	
Benefit payments, including refunds of employee contributions	(2,779,180)	(2,735,249)	(2,765,515)	(2,824,141)	(3,876,392)
Net change in plan fiduciary net position	2,854,719	2,694,147	3,442,047	2,546,559	7,475,876
Plan fiduciary net position - beginning	11,284,358	14,139,077	16,833,224	20,275,271	22,821,830
Plan fiduciary net position - ending (b)	\$ 14,139,077	\$ 16,833,224	\$ 20,275,271	\$ 22,821,830	\$ 30,297,706
Net OPEB liability - ending (a)-(b)	\$ 38,912,484	\$ 37,833,135	\$ 27,044,503	\$ 23,123,952	\$ 14,183,685
Plan fiduciary net position as a percentage of the total OPEB liability	26.65%	30.79%	42.85%	49.67%	68.11%
Covered-employee payroll	\$ 21,235,525	\$ 21,235,525	\$ 20,450,015	\$ 19,742,257	\$ 20,857,677
Net OPEB liability as a percentage of covered-employee payroll	183.24%	178.16%	132.25%	117.13%	68.00%

Notes to schedule:

* - the City adopted GASB 75 for the fiscal year ending June 30, 2018.

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 3 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

<u>6/30/2022</u>	<u>6/30/2023</u>	<u>6/30/2024</u>
\$ 668,923	\$ 641,250	\$ 892,327
2,601,936	2,523,784	3,679,252
594,290	15,386,909	
2,277,854	2,874,303	
<u>(3,622,199)</u>	<u>(3,512,929)</u>	<u>(3,641,697)</u>
2,520,804	17,913,317	929,882
44,481,391	47,002,195	64,915,512
<u>\$ 47,002,195</u>	<u>\$ 64,915,512</u>	<u>\$ 65,845,394</u>
\$ (3,894,142)	\$ 972,220	\$ 2,347,266
3,815,018	3,494,518	3,494,556
527,181	498,411	517,479
(7,752)	(7,781)	(19,547)
<u>(3,622,199)</u>	<u>(3,512,929)</u>	<u>(3,641,697)</u>
(3,181,894)	1,444,439	2,698,057
30,297,706	27,115,812	28,560,251
<u>\$27,115,812</u>	<u>\$ 28,560,251</u>	<u>\$ 31,258,308</u>
<u>\$ 19,886,383</u>	<u>\$ 36,355,261</u>	<u>\$ 34,587,086</u>
<u>57.69%</u>	<u>44.00%</u>	<u>47.47%</u>
<u>\$ 22,943,817</u>	<u>\$ 22,462,303</u>	<u>\$ 27,501,038</u>
<u>86.67%</u>	<u>161.85%</u>	<u>125.77%</u>

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 3 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Schedule of Changes in the Net OPEB Liability and Related Ratios
An Agent Multi-Employer Defined Benefits Retiree Healthcare Plan
Last 10 fiscal years*
SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30, 2025	2018	2019	2020	2021	2022
Actuarially Determined Contribution (ADC)	\$ 4,615,519	\$ 4,669,234	\$ 4,471,859	\$ 3,557,131	\$ 3,632,930
Less: Contributions in Relation to the ADC	5,029,969	4,996,552	5,740,463	5,234,710	4,342,199
Contribution Deficiency (Excess)	<u>\$ (414,450)</u>	<u>\$ (327,318)</u>	<u>\$ (1,268,604)</u>	<u>\$ (1,677,579)</u>	<u>\$ (709,269)</u>
Covered-employee payroll	<u>\$ 21,235,525</u>	<u>\$ 20,450,015</u>	<u>\$ 19,742,257</u>	<u>\$ 20,857,677</u>	<u>\$ 22,943,817</u>
Contributions as a percentage of Covered-employee payroll	23.69%	24.43%	29.08%	25.10%	18.93%
Fiscal Year Ended June 30, 2025	2023	2024	2025		
Actuarially Determined Contribution (ADC)	\$ 2,517,773	\$ 1,924,658	\$ 4,310,000		
Less: Contributions in Relation to the ADC	3,992,929	4,012,035	4,448,833		
Contribution Deficiency (Excess)	<u>\$ (1,475,156)</u>	<u>\$ (2,087,377)</u>	<u>\$ (138,833)</u>		
Covered-employee payroll	<u>\$ 22,462,303</u>	<u>\$ 27,501,038</u>	<u>\$ 28,942,651</u>		
Contributions as a percentage of Covered-employee payroll	17.78%	14.59%	15.37%		

Notes to Schedule:

Assumptions and Methods

Actuarial Cost Method	Entry age normal, level percent of pay
Amortization Method	Closed period, level percent of pay
Amortization Period	13-year average remaining period for 2024/25
Inflation	2.50%
Assumed Payroll Growth	2.75%
Healthcare Trend Rates	8.50% (Non-Medicare), 7.50% (Medicare, Non-Kaiser), 6.25% (Medicare, Kaiser)
Rate of Return on Assets	5.75%
Mortality & Mortality Improvement	CalPERS 2000-2019 Experience Study. Mortality projected fully generational with Scale MP-2021.

* City adopted GASB 75 for the fiscal year ending June 30, 2018.

**CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

NOTE 4 – MODIFIED APPROACH FOR THE CITY’S INFRASTRUCTURE

In accordance with GASB Statement No. 34, the City accounts for and reports infrastructure capital assets. The City defines infrastructure as the basic physical assets including the street system; park and recreation lands and improvement system; storm water collection system; and site amenities associated with buildings, such as parking and landscaped areas, used by the City in the conduct of its business. Each major infrastructure system is divided into subsystems. For example, the street system is divided into concrete and asphalt pavements, concrete curb and gutters, sidewalks, medians, streetlights, traffic control devices (signs, signals, and pavement markings), landscaping, and land. Subsystem detail is not presented in these basic financial statements; however, the City maintains detailed information on these subsystems.

The City has elected to use the modified approach, as defined by GASB Statement No. 34, for the Roads and Streets networks. Under GASB Statement No. 34, eligible infrastructure capital assets are not required to be depreciated.

In February 2025, the City’s consultant completed a study to update the physical condition assessment of the streets. The streets, primarily asphalt pavements, were defined as all physical features associated with the operation of motorized vehicles that exist within the limits of right of way. City-owned streets are classified based on land use, access and traffic utilization into the following four classifications: (1) arterial/major, (2) collector, (3) residential, and (4) other (such as alleys and parking lots).

This condition assessment will be performed approximately every two years. For this inspection update, all the paved streets in the City’s system were re-inspected. A visual survey of approximately 82 centerline miles was evaluated in accordance with Metropolitan Transportation Commission (MTC) standards. Upon completion of this survey, a Pavement Condition Index (PCI) was calculated for each segment to reflect the overall pavement condition. Ranging between 0 – 100, a PCI of 0 would correspond to a badly deteriorated pavement with virtually no remaining life. A PCI of 100 would correspond to a new pavement with proper engineering design and construction at the beginning of its life cycle.

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 – MODIFIED APPROACH FOR THE CITY’S INFRASTRUCTURE (Continued)

The following conditions were defined:

Condition	Rating	Description
Excellent	90-100	Little or no distress.
Very Good	70-89	Little or no distress, with the exception of utility patches in good condition, or minor to moderate hairline cracks; typically lightly weathered.
Good	50-69	Light to moderate weathering, light load-related base failure, moderate linear cracking.
Poor	25-49	Moderate to severe weathering, moderate levels of base failure, moderate to heavy linear cracking.
Very Poor	0-24	Extensive weathering, moderate to heavy base failure, failed patches, extensive network of moderate to heavy linear cracking.

The City’s policy is to achieve an average rating of 65 for all streets. This rating allows minor cracking and raveling of the pavement along with minor roughness that could be noticeable to drivers traveling at the posted speeds. As of February 28, 2025 the City’s street system was rated at a PCI index of 75 on a 100-point scale. The overall condition of the street pavement is in the lower range of MTC’s designation ‘Very Good’.

The following table shows the City’s network statistics in terms of PCI rating categories.

Table 1 – Average Weighted PCI Condition By Functional Class

PCI By Functional Class	
Classification	PCI
Arterial	72
Collector	74
Residential/Local	78
Overall Network	75

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 – MODIFIED APPROACH FOR THE CITY’S INFRASTRUCTURE (Continued)

Figure 2 – Total Pavement Mileage By Condition Category

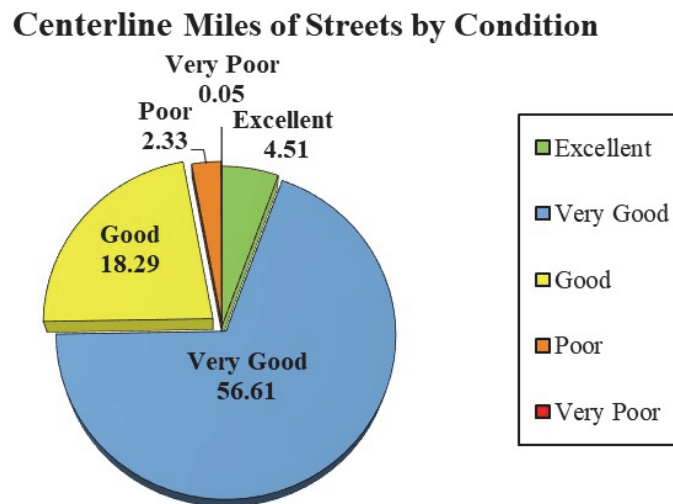


Table 2 – Percentage of Network Area by Functional Class and Condition Category

Condition Category	PCI Range	Arterial	Collector	Residential	Total
Excellent	90-100	2.87%	0.07%	2.89%	5.96%
Very Good	70-89	4.79%	12.64%	39.30%	67.37%
Good	50-69	11.90%	4.44%	6.26%	22.86%
Poor	25-49	1.22%	0.15%	0.72%	3.03%
Very Poor	0-24	0.00%	0.00%	0.08%	0.78%
Totals		30.69%	17.31%	49.25%	100.00%

The City’s street network replacement value is estimated at \$197 million. Replacement value is calculated as the current cost to reconstruct each street in the network.

The optimal network PCI is somewhere between low and mid 80’s, which is in the middle of the ‘excellent/very good’ condition category. This is recommended because streets with a PCI in the 80’s as opposed to 70’s will likely remain in the ‘excellent/very good’ condition category for a longer period of time if relatively inexpensive preventive maintenance treatments are used. Once PCI falls below 70, more expensive rehabilitation treatments will be needed.

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 – MODIFIED APPROACH FOR THE CITY’S INFRASTRUCTURE (Continued)

The cost to repair and maintain a pavement depends on its current PCI. In the ‘excellent/very good’ category, it costs very little to apply preventative maintenance treatments. More than half (56.61%) of the City’s street network would benefit from these lower cost preventative maintenance treatments.

Approximately 18.29% of the City’s street network is considered in ‘good’ condition. Pavements in this range require more than a life-extending treatment. At this point, a well-designed pavement will have served at least 75 percent of its life with the quality of the pavement dropping approximately 40%.

The remaining 2.38% of the City’s street network falls into the ‘poor’ or ‘very poor’ PCI ranges. These pavements are near the end of their service lives and often exhibit major forms of distress. At this stage, a street usually requires either a thick overlay or reconstruction.

One of the key elements of a pavement repair strategy is to keep streets that are in the ‘good’ or ‘fair’ category from deteriorating. This is particularly true for streets in the ‘fair’ range, because they are at the point where pavement deterioration accelerates if left untreated.

The condition assessment study projected the pavement budget for fiscal year 2025 through 2029 is approximately \$3.3 million for each year for a total of \$16 million over five years. By 2029, the deferred maintenance decreases from \$5 million to \$3.1 million and the overall PCI increase to 78.

Budget Needs Average (\$3.3 million)			
Year	Budget	Deferred Maintenance	Average Network PCI
2025 Prior to Treatment		\$ 5,000,000	75
2025	\$ 3,300,000	\$ 1,700,000	78
2026	\$ 3,300,000	\$ 600,000	78
2027	\$ 3,300,000	\$ 3,000,000	78
2028	\$ 3,300,000	\$ 3,100,000	78
2029	\$ 3,300,000	\$ 3,100,000	77

A schedule of estimated annual amounts calculated to maintain and preserve the City’s streets at the current level compared to actual expenditures for street maintenance for the last three years is presented below.

CITY OF BURLINGAME, CALIFORNIA
REQUIRED SUPPLEMENTARY INFORMATION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

NOTE 4 – MODIFIED APPROACH FOR THE CITY’S INFRASTRUCTURE (Continued)

Fiscal Year	Maintenance Estimate	Actual Expenditures	PCI Rating
2022-2023	\$ 2,300,000	\$ 1,600,000	77
2023-2024	\$ 2,350,000	\$ 2,550,000	77
2024-2025	\$ 2,350,000	\$ 1,840,000	76

The City’s ongoing street rehabilitation program is funded in the Capital Improvement Program.

NOTE 5 – BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for all funds, except for the fiduciary funds, and is controlled at the department level for the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- 1) In May of each year the Finance Department is to submit to the City Council a recommended operating budget for the fiscal year commencing the following July 1. The operating budget includes recommended expenditures and the means of financing them. Public hearings are to be conducted at City Hall to obtain taxpayer comments. Generally, by the first of July, after adjustment as appropriate by the City Council, the budget is to be legally enacted through council motion.
- (2) Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).
- (3) Formal budgetary integration is employed as a management control device during the year for all funds, except fiduciary funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.
- (4) All unused appropriations for budgeted amounts lapse at the end of the year except in the Capital Projects Fund because capital improvement projects typically span more than one fiscal year. Appropriations for capital projects lapse when projects are completed, placed into service, accounted for as capital assets, or abandoned at the discretion of City staff and/or City Council.
- (5) Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate document presenting this information is available.



Annual Comprehensive Financial Report

June 30, 2025

**CITY OF BURLINGAME, CALIFORNIA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues				
Property taxes	\$ 31,417,115	\$ 33,947,115	\$ 34,450,698	\$ 503,583
Sales and use taxes	17,493,660	17,973,660	17,385,517	(588,143)
Transient occupancy taxes	22,606,000	21,606,000	20,168,534	(1,437,466)
Other taxes	4,229,000	4,169,000	4,298,590	129,590
Licenses and permits	82,600	94,600	86,202	(8,398)
Fines, forfeitures and penalties	678,000	748,000	874,106	126,106
Charges for services	7,374,572	8,304,572	8,228,052	(76,520)
Other revenue	1,382,000	632,000	891,928	259,928
Intergovernmental taxes			49,261	49,261
Grants and subventions	215,000	215,000	572,380	357,380
Investment income	1,850,000	2,550,000	6,696,234	4,146,234
Total revenues	87,327,947	90,239,947	93,701,502	3,461,555
Expenditures				
Current:				
General Government				
City Attorney	1,379,377	1,409,337	1,293,592	115,745
City Clerk	764,638	778,058	665,512	112,546
City Council	445,336	515,476	385,051	130,425
City Manager	1,349,918	1,639,754	1,199,159	440,595
Human Resources	1,445,950	1,677,933	1,521,504	156,429
Finance	3,351,760	3,416,585	2,979,301	437,284
Total General Government	8,736,979	9,437,143	8,044,119	1,393,024
Public safety:				
Fire	15,701,139	16,414,551	16,060,222	354,329
Fire - Disaster Preparedness	77,000	77,000	67,622	9,378
Police Communications Dispatch	2,110,750	2,110,750	2,037,637	73,113
Police - Parking Enforcement	792,243	792,243	772,925	19,318
Police	18,835,332	19,285,865	17,969,218	1,316,647
Total Public Safety	37,516,464	38,680,409	36,907,624	1,772,785
Public Works	9,803,445	9,985,490	9,002,305	983,185
Community Development	2,846,092	3,379,597	2,805,373	574,224
Parks, recreation, and library				
Library	6,772,485	6,799,252	6,649,871	149,381
Parks	9,272,276	9,598,103	9,026,057	572,046
Recreation and Aquatics	5,773,134	6,069,940	6,815,372	(745,432)
Total Leisure & Cultural Services	21,817,895	22,467,295	22,491,300	(24,005)
Capital outlay	312,000	432,083	295,344	136,739
Total Expenditures	81,032,875	84,382,017	79,546,065	4,835,952
Excess (deficiency) of revenues over expenditures	6,295,072	5,857,930	14,155,437	8,297,507
Other financing sources (uses)				
Transfers in	2,013,380	2,440,480	2,440,480	
Transfers out	(14,542,492)	(16,359,532)	(16,359,532)	
Total other financing sources (uses)	(12,529,112)	(13,919,052)	(13,919,052)	
Net change in fund balance	\$ (6,234,040)	\$ (8,061,122)	236,385	\$ 8,297,507
FUND BALANCE				
Beginning of year			57,407,807	
End of year			\$ 57,644,192	

**CITY OF BURLINGAME, CALIFORNIA
STORM DRAINAGE SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues				
Charges for services	\$ 3,316,800	\$ 3,316,800	\$ 3,239,851	\$ (76,949)
Investment income	60,000	60,000	975,714	915,714
Total revenues	<u>3,376,800</u>	<u>3,376,800</u>	<u>4,215,565</u>	<u>838,765</u>
Other financing sources (uses)				
Transfers out	(2,608,583)	(2,608,583)	(2,608,583)	
Total other financing sources (uses)	<u>(2,608,583)</u>	<u>(2,608,583)</u>	<u>(2,608,583)</u>	
Net change in fund balance	<u>\$ 768,217</u>	<u>\$ 768,217</u>	1,606,982	<u>\$ 838,765</u>
FUND BALANCE				
Beginning of year			10,881,134	
End of year			<u>\$ 12,488,116</u>	

**CITY OF BURLINGAME, CALIFORNIA
DEVELOPMENT FEES FUND SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	Budgeted Amounts			Variance
	Original	Final	Actual	Positive (Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ 8,704,825	\$ 8,704,825
Investment income	128,000	128,000	1,113,092	985,092
Total revenues	<u>128,000</u>	<u>128,000</u>	<u>9,817,917</u>	<u>9,689,917</u>
Expenditures				
Current:				
Community Development	247,000	247,000	222,000	(25,000)
Total Expenditures	<u>247,000</u>	<u>247,000</u>	<u>222,000</u>	<u>(25,000)</u>
Excess (deficiency) of revenues over expenditures	<u>(119,000)</u>	<u>(119,000)</u>	<u>9,595,917</u>	<u>9,714,917</u>
Other financing sources (uses)				
Transfers out	(2,650,000)	(2,700,000)	(2,700,000)	
Total other financing sources (uses)	<u>(2,650,000)</u>	<u>(2,700,000)</u>	<u>(2,700,000)</u>	
Net change in fund balance	<u>\$ (2,769,000)</u>	<u>\$ (2,819,000)</u>	<u>\$ 6,895,917</u>	<u>\$ 9,714,917</u>
FUND BALANCE				
Beginning of year			22,189,925	
End of year			<u>\$ 29,085,842</u>	



Annual Comprehensive Financial Report

June 30, 2025

**SUPPLEMENTARY INFORMATION
COMBINING FINANCIAL STATEMENTS**



Annual Comprehensive Financial Report

June 30, 2025

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Measure A Fund – This fund accounts for the City's share of the special half-cent sales tax for transportation approved on the November 1988 ballot, effective January 1, 1989. Expenditures from this fund can only be incurred on transportation-related programs.

Gas Tax Fund – This fund is to account for revenue received from the State of California derived from gasoline taxes. These funds may only be used for street purposes as specified in the State Streets and Highway Code.

Special Assessment District Fund – This fund accounts for revenue from special assessments received from a special benefit district formed during fiscal year 2011-12 on Burlingame Avenue. The special benefit district revenues fund the lighting, landscape, and utility-related upgrades completed in 2014, and a portion of the related maintenance costs.

Train Shuttle Fund – This fund is to account for revenues received from the Peninsula Joint Powers Board, San Mateo County Transportation Authority, Bay Area Air Quality Management District, City/County Association of Governments of San Mateo County, Downtown Burlingame Business Association, and the Broadway Improvement District for a free shuttle bus program.

State/Federal Grants Funds – These funds are to account for grants from the State of California and the federal government, used or expended for a specific purpose, activity, or facility.

Local Grants and Donations Fund – This fund is to account for grants or donations from local sources other than the State or Federal government used or expended for a specific purpose, activity, or facility.

Public TV Access Fund – This fund is to account for the PEG Access funding through Cable TV Franchise agreement beginning January 1, 1999. The City uses these funds to finance capital improvements associated with the broadcast of municipal events.

Measure W Fund – This fund accounts for the City's share of the special half-cent sales tax for transportation approved on the November 2018 ballot, effective July 1, 2019. Expenditures from this fund can only be incurred for local safety, pothole & congestion relief improvements.

**CITY OF BURLINGAME, CALIFORNIA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025**

	Special Revenue Funds			
	Measure A Fund	Gas Tax Fund	Special Assessment District	Train Shuttle Fund
ASSETS				
Cash and investments	\$ 2,571,204	\$ 1,917,167	\$ 488,988	\$ 381,051
Receivables (net of uncollectible amount of \$0):				
Accounts and other receivables	84,685	225,459		127,617
Total assets	<u>\$ 2,655,889</u>	<u>\$ 2,142,626</u>	<u>\$ 488,988</u>	<u>\$ 508,668</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 33,960
Accrued payroll				
Unearned revenue				
Total liabilities				33,960
Deferred Inflows:				
Unavailable revenue				92,994
Total deferred inflows				92,994
Fund Balances:				
Restricted	2,655,889	2,142,626	488,988	381,714
Total fund balances	<u>2,655,889</u>	<u>2,142,626</u>	<u>488,988</u>	<u>381,714</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 2,655,889</u>	<u>\$ 2,142,626</u>	<u>\$ 488,988</u>	<u>\$ 508,668</u>

Special Revenue Funds				
State/Federal Grants Fund	Local Grants and Donations Fund	Public TV Access Fund	Measure W Fund	Total Nonmajor Governmental Funds
\$ 181,774	\$ 1,673,108	\$ 1,141,697	\$ 2,596,129	\$ 10,951,118
15,461		15,890	78,043	547,155
<u>\$ 197,235</u>	<u>\$ 1,673,108</u>	<u>\$ 1,157,587</u>	<u>\$ 2,674,172</u>	<u>\$ 11,498,273</u>
\$ 3,670	\$ 13,792	\$ -	\$ -	\$ 51,422
	983			983
81,139	192,821			273,960
84,809	207,596			326,365
				92,994
				92,994
112,426	1,465,512	1,157,587	2,674,172	11,078,914
112,426	1,465,512	1,157,587	2,674,172	11,078,914
<u>\$ 197,235</u>	<u>\$ 1,673,108</u>	<u>\$ 1,157,587</u>	<u>\$ 2,674,172</u>	<u>\$ 11,498,273</u>

CITY OF BURLINGAME, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds			
	Measure A Fund	Gas Tax Fund	Special Assessment District	Train Shuttle Fund
REVENUES:				
Investment income (loss)	\$ 126,128	\$ 94,217	\$ 23,605	\$ -
Intergovernmental taxes	1,038,720	1,737,812		
Charges for services			310,094	24,999
Donations				
Grants and subventions				8,971
Total revenues	<u>1,164,848</u>	<u>1,832,029</u>	<u>333,699</u>	<u>33,970</u>
EXPENDITURES:				
Current:				
General government				
Public safety				
Public works				
Community development				
Parks, recreation, and library				
Shuttle operations				68,250
Capital Outlay				
Total expenditures				<u>68,250</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,164,848</u>	<u>1,832,029</u>	<u>333,699</u>	<u>(34,280)</u>
OTHER FINANCING SOURCES (USES):				
Transfer in				52,300
Transfer out	<u>(1,125,000)</u>	<u>(1,756,000)</u>	<u>(310,000)</u>	
Total other financing sources (uses)	<u>(1,125,000)</u>	<u>(1,756,000)</u>	<u>(310,000)</u>	<u>52,300</u>
Net change in fund balance	<u>39,848</u>	<u>76,029</u>	<u>23,699</u>	<u>18,020</u>
FUND BALANCE:				
Beginning of year	<u>2,616,041</u>	<u>2,066,597</u>	<u>465,289</u>	<u>363,694</u>
End of year	<u>\$ 2,655,889</u>	<u>\$ 2,142,626</u>	<u>\$ 488,988</u>	<u>\$ 381,714</u>

Special Revenue Funds				
State/Federal Grants Fund	Local Grants and Donations Fund	Public TV Access Fund	Measure W Fund	Total Nonmajor Governmental Funds
\$ -	\$ 16,496	\$ 53,746	\$ 111,334	\$ 425,526
			459,366	3,235,898
		66,152		401,245
	212,058			212,058
47,620	142,473			199,064
47,620	371,027	119,898	570,700	4,473,791
15,995	29,141			45,136
40,273				40,273
	4,227			4,227
	394,112			394,112
				68,250
18,000	141,411			159,411
74,268	568,891			711,409
(26,648)	(197,864)	119,898	570,700	3,762,382
				52,300
				(3,191,000)
				(3,138,700)
(26,648)	(197,864)	119,898	570,700	623,682
139,074	1,663,376	1,037,689	2,103,472	10,455,232
\$ 112,426	\$ 1,465,512	\$ 1,157,587	\$ 2,674,172	\$ 11,078,914

CITY OF BURLINGAME, CALIFORNIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds					
	Measure A Fund			Gas Tax Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Investment income (loss)	\$ 5,000	\$ 126,128	\$ 121,128	\$ 10,000	\$ 94,217	\$ 84,217
Intergovernmental	1,000,000	1,038,720	38,720	1,669,270	1,737,812	68,542
Charges for services						
Donations						
Grants revenue						
Total revenues	<u>1,005,000</u>	<u>1,164,848</u>	<u>159,848</u>	<u>1,679,270</u>	<u>1,832,029</u>	<u>152,759</u>
EXPENDITURES:						
Current:						
General government						
Public safety						
Public works						
Community development						
Parks, recreation, and library						
Shuttle operations						
Capital Outlay						
Total expenditures						
REVENUES OVER (UNDER) EXPENDITURES	<u>1,005,000</u>	<u>1,164,848</u>	<u>159,848</u>	<u>1,679,270</u>	<u>1,832,029</u>	<u>152,759</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out	<u>(1,125,000)</u>	<u>(1,125,000)</u>		<u>(1,756,000)</u>	<u>(1,756,000)</u>	
Total other financing sources (uses)	<u>(1,125,000)</u>	<u>(1,125,000)</u>		<u>(1,756,000)</u>	<u>(1,756,000)</u>	
Net change in fund balance	<u>\$ (120,000)</u>	<u>39,848</u>	<u>\$ 159,848</u>	<u>\$ (76,730)</u>	<u>76,029</u>	<u>\$ 152,759</u>
FUND BALANCE:						
Beginning of year		<u>2,616,041</u>			<u>2,066,597</u>	
End of year		<u>\$ 2,655,889</u>			<u>\$ 2,142,626</u>	

Special Revenue Funds								
Special Assessment District			Train Shuttle Fund			State/Federal Grants Fund		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
\$ 3,500	\$ 23,605	\$ 20,105	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
310,000	310,094	94	25,000	24,999	(1)			
			40,000	8,971	(31,029)	86,639	47,620	(39,019)
313,500	333,699	20,199	65,000	33,970	(31,030)	86,639	47,620	(39,019)
							15,995	(15,995)
							40,273	(40,273)
			83,500	68,250	15,250			
							18,000	(18,000)
			83,500	68,250	15,250		74,268	(74,268)
313,500	333,699	20,199	(18,500)	(34,280)	(15,780)	86,639	(26,648)	(113,287)
(310,000)	(310,000)		52,300	52,300				
(310,000)	(310,000)		52,300	52,300				
\$ 3,500	23,699	\$ 20,199	\$ 33,800	18,020	\$ (15,780)	\$ 86,639	(26,648)	\$ (113,287)
	465,289			363,694			139,074	
	\$ 488,988			\$ 381,714			\$ 112,426	

(Continued)

CITY OF BURLINGAME, CALIFORNIA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL - NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Special Revenue Funds					
	Local Grants and Donations Funds			Public TV Access Fund		
	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
REVENUES:						
Investment income (loss)	\$ -	\$ 16,496	\$ 16,496	\$ 8,500	\$ 53,746	\$ 45,246
Intergovernmental						
Charges for services				80,000	66,152	(13,848)
Donations		212,058	212,058			
Grants revenue	9,957	142,473	132,516			
Total revenues	<u>9,957</u>	<u>371,027</u>	<u>361,070</u>	<u>88,500</u>	<u>119,898</u>	<u>31,398</u>
EXPENDITURES:						
Current:						
General government		29,141	(29,141)			
Public safety						
Public works		4,227	(4,227)			
Community development						
Parks, recreation, and library	9,956	394,112	(384,156)			
Shuttle operations						
Capital Outlay		141,411	(141,411)			
Total expenditures	<u>9,956</u>	<u>568,891</u>	<u>(558,935)</u>			
REVENUES OVER (UNDER) EXPENDITURES	<u>1</u>	<u>(197,864)</u>	<u>(197,865)</u>	<u>88,500</u>	<u>119,898</u>	<u>(31,398)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in						
Transfers out						
Total other financing sources (uses)						
Net change in fund balance	<u>\$ 1</u>	<u>(197,864)</u>	<u>\$ (197,865)</u>	<u>\$ 88,500</u>	<u>119,898</u>	<u>\$ (31,398)</u>
FUND BALANCE:						
Beginning of year		<u>1,663,376</u>			<u>1,037,689</u>	
End of year		<u>\$ 1,465,512</u>			<u>\$ 1,157,587</u>	



Annual Comprehensive Financial Report

June 30, 2025

INTERNAL SERVICE FUNDS

General Liability Fund – This fund accounts for the servicing of the general liability self-insurance program of the City. Included are costs associated with self-insurance and the purchase of excess insurance to adequately protect the City. User departments are charged for this program at rates based on loss experience (frequency and severity of claims).

Workers' Compensation Fund - This fund accounts for the funding of the City's Workers' Compensation costs. User departments are charged for workers' compensation at rates based on loss experience and on departmental personnel budgets.

OPEB (Other Post-Employment Benefits) Fund – This fund accounts for the costs of the City's retiree medical program and related liabilities. A percentage "surcharge" on actual payroll provides the fund's revenues; benefits are paid out of the fund and the remaining funds are swept to the irrevocable trust fund established to reduce the OPEB liability incurred in prior years.

Facilities Services Fund – This fund accounts for the costs of operation of the City's maintenance and repair of City building and custodial services on a cost reimbursement basis.

Equipment Services Fund – This fund accounts for the costs of operation, maintenance, and replacement of automotive equipment used by the various departments. Such costs are billed to the consuming departments at a rate that includes operation and maintenance, and an amount necessary to provide replacement of the equipment at a future date.

Information Technology Services Fund – This fund accounts for the costs of operating and maintaining the City's computer system, computer hardware acquisitions, telecommunication system, and connectivity to the Internet and Intranet. Such costs are billed to the consuming departments at a rate that includes operation and maintenance, and an amount necessary to provide for replacement of computers. Activities of the fund also cover cybersecurity, technology disaster recovery and administrative support, such as reception, printing and mailing.

Employment Insurance Fund – This fund accounts for the insurance premiums, contractual services, and claim payments related to the City's membership in the Employment Risk Management Authority. This joint powers authority serves as the first and only statewide public sector employment practices liability risk pool, representing over 220 public agencies.

**CITY OF BURLINGAME, CALIFORNIA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2025**

	General Liability Fund	Workers' Compensation Fund	OPEB Fund	Facilities Services Fund	Equipment Services Fund	Information Technology Services Fund	Employment Insurance Fund	Total
ASSETS								
Current assets:								
Cash and investments	\$ 8,969,194	\$ 9,551,865	\$ 672,973	\$ 2,292,232	\$ 8,685,154	\$ 3,529,499	\$ 853,887	\$ 34,554,804
Receivable (net of uncollectible amounts of \$0):								
Other receivables	3,654			5,062				8,716
Prepaid and Inventory				48,624	23,695	122,365		194,684
Total current assets	8,972,848	9,551,865	672,973	2,345,918	8,708,849	3,651,864	853,887	34,758,204
Non-Current assets:								
Cash and investments, restricted				380,545	242,096	55,891		678,532
Capital assets:								
Facilities, infrastructure, and equipment, net of depreciation				25,611	1,109,244	495,864		1,630,719
Total noncurrent assets				406,156	1,351,340	551,755		2,309,251
Total assets	8,972,848	9,551,865	672,973	2,752,074	10,060,189	4,203,619	853,887	37,067,455
DEFERRED OUTFLOWS OF RESOURCES								
Deferred outflows related to pensions				221,285	182,993	75,892		480,170
Deferred outflows related to OPEB				338,290	246,330	112,140		696,760
Total deferred outflows of resources				559,575	429,323	188,032		1,176,930
LIABILITIES								
Current liabilities:								
Accounts payable	32,206	136		108,675	139,717	84,547		365,281
Accrued payroll	1,077	298	(185,766)	35,211	29,098	10,897	215	(108,970)
Due to other fund								
Compensated absences - due in one year				9,779	1,764			11,543
Claims and litigation - due in one year	1,496,000	856,000						2,352,000
Total current liabilities	1,529,283	856,434	(185,766)	153,665	170,579	95,444	215	2,619,854
Noncurrent liabilities:								
Compensated absences - due in more than one year				20,418	17,225			37,643
Claims and litigation - due in more than one year	1,708,000	4,336,000						6,044,000
Net pension liability				1,030,816	852,441	353,528		2,236,785
Net OPEB liability				626,020	455,850	207,520		1,289,390
Total noncurrent liabilities	1,708,000	4,336,000		1,677,254	1,325,516	561,048		9,607,818
Total liabilities	3,237,283	5,192,434	(185,766)	1,830,919	1,496,095	656,492	215	12,227,672
DEFERRED INFLOWS OF RESOURCES								
Deferred inflows related to pensions				17,970	13,080	5,950		37,000
Deferred inflows related to OPEB				17,970	13,080	5,950		37,000
Total deferred inflows of resources				17,970	13,080	5,950		37,000
NET POSITION								
Net investment in capital assets				25,611	1,109,244	495,864		1,630,719
Restricted				380,545	242,096	55,891		678,532
Unrestricted (deficit)	5,735,565	4,359,431	858,739	1,056,604	7,628,997	3,177,454	853,672	23,670,462
Total net position	\$ 5,735,565	\$ 4,359,431	\$ 858,739	\$ 1,462,760	\$ 8,980,337	\$ 3,729,209	\$ 853,672	\$ 25,979,713

CITY OF BURLINGAME, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	General Liability Fund	Workers' Compensation Fund	OPEB Fund	Facilities Services Fund	Equipment Services Fund	Information Technology Services Fund	Employment Insurance Fund	Total
OPERATING REVENUES:								
Charges for services	\$ 4,853,500	\$ 855,950	\$ 4,337,813	\$ 2,511,931	\$ 2,020,110	\$ 2,585,775	\$ 500,000	\$ 17,665,079
Other revenue	3,654			3,991	17,557			25,202
Total operating revenue	<u>4,857,154</u>	<u>855,950</u>	<u>4,337,813</u>	<u>2,515,922</u>	<u>2,037,667</u>	<u>2,585,775</u>	<u>500,000</u>	<u>17,690,281</u>
OPERATING EXPENSES:								
Salaries and benefits	1,079	297		931,706	876,366	402,294	215	2,211,957
Retiree medical benefit			3,779,832					3,779,832
Supplies and services	46,036	121,769		1,227,506	343,109	1,228,360		2,966,780
Depreciation				10,438	323,950	113,505		447,893
Insurance claims and expenses	2,479,933	854,876		3,860	82,932		191,085	3,612,686
Total operating expenses	<u>2,527,048</u>	<u>976,942</u>	<u>3,779,832</u>	<u>2,173,510</u>	<u>1,626,357</u>	<u>1,744,159</u>	<u>191,300</u>	<u>13,019,148</u>
Operating income (loss)	<u>2,330,106</u>	<u>(120,992)</u>	<u>557,981</u>	<u>342,412</u>	<u>411,310</u>	<u>841,616</u>	<u>308,700</u>	<u>4,671,133</u>
NONOPERATING REVENUES (EXPENSES):								
Investment income (expense)	380,777	464,213		134,336	436,879	153,783	29,778	1,599,766
Net nonoperating revenues (expenses)	<u>380,777</u>	<u>464,213</u>		<u>134,336</u>	<u>436,879</u>	<u>153,783</u>	<u>29,778</u>	<u>1,599,766</u>
Net change in net position	<u>2,710,883</u>	<u>343,221</u>	<u>557,981</u>	<u>476,748</u>	<u>848,189</u>	<u>995,399</u>	<u>338,478</u>	<u>6,270,899</u>
NET POSITION:								
Total net position, beginning,	3,024,682	4,016,210	300,758	986,012	8,132,148	2,733,810	515,194	19,708,814
Total net position, ending	<u>\$ 5,735,565</u>	<u>\$ 4,359,431</u>	<u>\$ 858,739</u>	<u>\$ 1,462,760</u>	<u>\$ 8,980,337</u>	<u>\$ 3,729,209</u>	<u>\$ 853,672</u>	<u>\$ 25,979,713</u>

**CITY OF BURLINGAME, CALIFORNIA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

	General Liability Fund	Workers' Compensation Fund	OPEB Fund	Facilities Services Fund	Equipment Services Fund	Information Technology Services Fund	Employment Insurance Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:								
Receipts from customers for service charges	\$ 4,857,154	\$ 855,950	\$ 4,337,813	\$ 2,515,810	\$ 2,091,058	\$ 2,585,775	\$ 500,000	\$ 17,743,560
Payments to claims		(350,718)						(350,718)
Payments to suppliers	(2,911,891)	(345,791)		(1,262,651)	(322,618)	(1,301,155)	(191,085)	(6,335,191)
Payments to retirees and trust			(3,779,832)					(3,779,832)
Payments to employees	(2)	1	(63,258)	(887,480)	(741,656)	(298,022)		(1,990,417)
Net cash provided by (used in) operating activities	1,945,261	159,442	494,723	365,679	1,026,784	986,598	308,915	5,287,402
CASH FLOWS FROM								
NONCAPITAL FINANCING ACTIVITIES:								
Interfund loans received (paid)								
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:								
Acquisition and construction of capital assets				1	(654,733)	(208,625)		(863,357)
CASH FLOWS FROM INVESTING ACTIVITIES:								
Interest received on investments	377,123	464,213		134,336	436,879	153,783	29,778	1,596,112
	<u>377,123</u>	<u>464,213</u>		<u>134,336</u>	<u>436,879</u>	<u>153,783</u>	<u>29,778</u>	<u>1,596,112</u>
Net increase (decrease) in cash and cash equivalents	2,322,384	623,655	494,723	500,016	808,930	931,756	338,693	6,020,157
CASH AND CASH EQUIVALENTS:								
Beginning of year	6,646,810	8,928,210	178,250	2,172,761	8,118,320	2,653,634	515,194	29,213,179
End of year	<u>\$ 8,969,194</u>	<u>\$ 9,551,865</u>	<u>\$ 672,973</u>	<u>\$ 2,672,777</u>	<u>\$ 8,927,250</u>	<u>\$ 3,585,390</u>	<u>\$ 853,887</u>	<u>\$ 35,233,336</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:								
Operating (loss) income	\$ 2,330,106	\$ (120,992)	\$ 557,981	\$ 342,412	\$ 411,310	\$ 841,616	\$ 308,700	\$ 4,671,133
Adjustments for noncash activities:								
Depreciation and amortization				10,438	323,950	113,505		447,893
Changes in assets and liabilities:								
Receivables				(112)	53,391			53,279
Inventories and prepaid				(48,624)	8,555	(89,651)		(129,720)
Deferred outflows				220,469	111,263	12,986		344,718
Accounts payable	(45,922)	136		17,339	94,868	16,856		83,277
Accrued payroll	1,077	298	(63,258)	10,108	6,631	1,271	215	(43,658)
Compensated absences				8,621	4,456			13,077
Claims and litigations liabilities	(340,000)	280,000						(60,000)
Deferred inflows				(27,215)	(17,573)	(5,937)		(50,725)
Net pension liabilities				(117,569)	32,159	66,573		(18,837)
Net OPEB liabilities				(50,188)	(2,226)	29,379		(23,035)
Total adjustments	<u>(384,845)</u>	<u>280,434</u>	<u>(63,258)</u>	<u>23,267</u>	<u>615,474</u>	<u>144,982</u>	<u>215</u>	<u>616,269</u>
Net cash provided by (used in) operating activities	\$ 1,945,261	\$ 159,442	\$ 494,723	\$ 365,679	\$ 1,026,784	\$ 986,598	\$ 308,915	\$ 5,287,402
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION								
Cash and investments – current	\$ 8,969,194	\$ 9,551,865	\$ 672,973	\$ 2,292,232	\$ 8,685,154	\$ 3,529,499	\$ 853,887	\$ 34,554,804
Cash and investments, restricted				380,545	242,096	55,891		678,532
Total cash and investments per Statement of Net Position	<u>\$ 8,969,194</u>	<u>\$ 9,551,865</u>	<u>\$ 672,973</u>	<u>\$ 2,672,777</u>	<u>\$ 8,927,250</u>	<u>\$ 3,585,390</u>	<u>\$ 853,887</u>	<u>\$ 35,233,336</u>

CUSTODIAL FUNDS

Hotel Business Improvement District (BID) Fees Fund – This fund accounts for fee collections received as an Agent for the San Mateo County Visitors and Convention Bureau.

Elementary School Development Fees Fund – This fund accounts for fee collections received as an Agent for the Burlingame Elementary School District.

High School Development Fees Fund – This fund accounts for fee collections received as an Agent for the San Mateo Union High School District.

Downtown Business Improvement District Fund – This fund accounts for collections received for the Downtown Business Improvement District.

Broadway Business Improvement District Fund – This fund accounts for collections received for the Broadway Business Improvement District.

Library Foundation Fund – This fund accounts for collections received for the Burlingame Library Foundation.

CITY OF BURLINGAME, CALIFORNIA
COMBINING STATEMENT OF NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2025

	Custodial Funds						
	Hotel BID Fees	Elementary School Development Fees	High School Development Fees	Broadway BID Fund	Downtown Business Improvement District	Library Foundation	Total
ASSETS							
Cash and investments	\$ 4,102	\$ 59,522	\$ 39,749	\$ 37,162	\$ 2,055	\$ 2,616	\$ 145,206
Accounts receivable	10,868				14,710		25,578
Total assets	14,970	59,522	39,749	37,162	16,765	2,616	170,784
LIABILITIES							
Accounts payable	2,574	59,522	39,749		2,195	2,616	106,656
Unearned revenue				7,100			7,100
Due to external organizations	12,396			30,062	14,570		57,028
Total liabilities	14,970	59,522	39,749	37,162	16,765	2,616	170,784
NET POSITION							
Restricted for:							
Other governments							
Total Net Position	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF BURLINGAME, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN NET POSITION
CUSTODIAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Custodial Funds						
	Hotel Bid Fees	Elementary School Development Fees	High School Development Fees	Broadway BID Fund	Downtown Business Improvement District	Library Foundation	Total
ADDITIONS							
Fees collections	\$ 128,299	\$ 175,519	\$ 117,307	\$ 58,225	\$ 117,209	\$ 29,688	\$ 626,247
Total Additions	<u>128,299</u>	<u>175,519</u>	<u>117,307</u>	<u>58,225</u>	<u>117,209</u>	<u>29,688</u>	<u>626,247</u>
DEDUCTIONS							
Distribution to districts	128,299	175,519	117,307	58,225	117,209	29,688	626,247
Total Deductions	<u>128,299</u>	<u>175,519</u>	<u>117,307</u>	<u>58,225</u>	<u>117,209</u>	<u>29,688</u>	<u>626,247</u>
Net increase(decrease) in fiduciary net position							
Net Position-Beginning of the Year							
Net Position-End of the Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



Annual Comprehensive Financial Report

June 30, 2025

STATISTICAL SECTION



Annual Comprehensive Financial Report

June 30, 2025

STATISTICAL SECTION

<u>Contents</u>	<u>Pages</u>
<u><i>Financial Trends</i></u>	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	156-161
<u><i>Revenue Capacity</i></u>	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and other taxes.	162-170
<u><i>Debt Capacity</i></u>	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	171-176
<u><i>Demographic and Economic Information</i></u>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.	177-178
<u><i>Operating Information</i></u>	
These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	179-181

CITY OF BURLINGAME, CALIFORNIA
NET POSITION BY COMPONENT
Last Ten Fiscal Years (accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year			
	2016	2017	2018	2019
Governmental activities:				
Net investment in capital assets	\$ 79,019	\$ 82,624	\$ 87,689	\$ 98,575
Restricted	38,414	43,383	26,901	28,852
Unrestricted	(25,511)	(9,583)	6,415	25,681
Total governmental activities net position	<u>\$ 84,029</u>	<u>\$ 91,922</u>	<u>\$ 116,424</u>	<u>\$ 121,005</u>
Business-type activities:				
Net investment in capital assets	\$ 54,587	\$ 61,071	\$ 66,077	\$ 69,494
Restricted	12,367	11,963	12,155	15,485
Unrestricted	26,002	30,125	31,760	36,559
Total business-type activities net position	<u>\$ 72,974</u>	<u>\$ 92,956</u>	<u>\$ 103,159</u>	<u>\$ 109,992</u>
Primary government:				
Net investment in capital assets	\$ 133,606	\$ 143,695	\$ 153,766	\$ 153,766
Restricted	50,781	55,346	39,056	39,056
Unrestricted	491	20,542	38,176	38,176
Total primary government net position	<u>\$ 157,003</u>	<u>\$ 184,878</u>	<u>\$ 219,583</u>	<u>\$ 230,998</u>

Fiscal Year					
2020	2021	2022	2023	2024	2025
\$ 107,083	\$ 124,845	\$ 134,188	\$ 137,156	\$ 146,722	\$ 158,912
77,137	67,771	62,309	59,136	66,429	77,626
(12,700)	(18,068)	2,751	35,323	43,396	49,503
<u>\$ 153,108</u>	<u>\$ 171,520</u>	<u>\$ 174,548</u>	<u>\$ 231,615</u>	<u>\$ 256,547</u>	<u>\$ 286,041</u>
\$ 74,432	\$ 75,643	\$ 96,458	\$ 99,629	\$ 102,204	\$ 109,523
20,020	23,158	18,390	19,687	21,887	22,659
39,748	41,898	50,288	60,459	67,302	68,669
<u>\$ 121,538</u>	<u>\$ 134,200</u>	<u>\$ 140,699</u>	<u>\$ 179,775</u>	<u>\$ 191,393</u>	<u>\$ 200,851</u>
\$ 181,515	\$ 200,488	\$ 248,926	\$ 236,785	\$ 248,926	\$ 268,435
97,157	90,929	88,316	78,823	88,316	100,286
27,048	23,830	110,697	95,782	110,698	118,172
<u>\$ 230,998</u>	<u>\$ 305,720</u>	<u>\$ 315,247</u>	<u>\$ 411,390</u>	<u>\$ 447,940</u>	<u>\$ 486,893</u>

CITY OF BURLINGAME, CALIFORNIA
CHANGE IN NET POSITION
Last Ten Fiscal Years (accrual basis accounting)
(amounts expressed in thousands)

	2016	2017	2018	2019
Expenses				
Governmental activities:				
General government	\$ 4,275	\$ 4,757	\$ 5,785	\$ 6,181
Public safety	26,296	25,710	27,244	28,634
Public works	8,312	7,353	7,929	7,574
Community development	1,162	1,386	1,817	1,755
Parks, recreation and library	13,786	14,581	16,925	16,875
Shuttle operations	137	150	191	168
Financing and other activities	2,639	3,075	2,210	1,814
Total governmental activities expenses	55,037	56,607	57,012	62,101
Business-type activities:				
Water	12,822	13,806	14,671	14,855
Sewer	10,960	10,345	11,205	11,874
Waste management	487	676	789	728
Landfill	56	77	406	224
Parking	445	635	1,053	926
Building	1,420	2,054	1,580	2,495
Total business-type activities expenses	24,827	26,190	27,593	29,704
Total primary government expenses	\$ 79,864	\$ 82,797	\$ 84,605	\$ 91,805
Program Revenue				
Governmental activities:				
Charges for services:				
General government	\$ 123	\$ 122	\$ 119	\$ 109
Public safety	1,009	1,075	1,140	1,386
Public works	3,477	4,316	4,186	4,122
Community development	890	5,900	702	1,332
Parks, recreation and library	3,405	3,860	4,208	4,261
Shuttle operations	150	-	-	-
Operating grants and contributions	591	978	830	629
Capital grants and contributions	439	150	1,218	508
Total government activities program revenues	10,948	10,084	16,401	12,403
Business-types activities:				
Charges for services:				
Water	15,158	16,375	18,623	19,664
Sewer	15,634	15,798	15,837	15,715
Waste management	778	780	700	617
Landfill	437	447	465	483
Parking	2,649	2,766	2,820	2,773
Building	2,257	4,087	4,413	3,221
Capital grants and contributions	42,858	39,244	-	-
Total business-type activities program revenues	37,045	79,771	79,497	42,858
Total primary governmental program revenues	\$ 47,993	\$ 89,855	\$ 95,898	\$ 55,261
Net (expenses)/revenue				
Government activities	\$ (46,523)	\$ (40,611)	\$ (49,698)	\$ (50,654)
Business-type activities	53,581	51,904	13,154	11,371
Total primary government net expenses	\$ (31,871)	\$ 7,058	\$ 11,293	\$ (36,544)
General Revenues and Other Changes in Net Position				
Governmental activities:				
Taxes				
Property taxes	\$ 17,645	\$ 18,933	\$ 20,335	\$ 21,956
Sales tax	12,828	12,089	12,820	17,820
Transient occupancy tax	26,092	26,263	27,936	29,384
Other taxes	4,589	4,407	4,869	5,214
Other general revenue	233	427	381	466
Special Item - OPEB pre-funding	-	-	-	-
Investment earnings (expense)	1,292	266	624	5,758
Transfers	(8,114)	2,730	2,863	2,157
Total governmental activities	61,037	54,565	65,115	69,828
Business-type activities:				
Other general revenue	382	144	185	203
Investment earnings (expense)	762	128	235	2,127
Transfers	8,114	(2,730)	(2,864)	(2,157)
Total primary government	(4,578)	9,258	(2,458)	(2,444)
Change in Net Position				
Government activities	7,893	24,503	20,132	32,103
Business-type activities	19,982	10,202	10,709	11,545
Total primary government	\$ 24,587	\$ 27,875	\$ 34,705	\$ 30,841

2020	2021	2022	2023	2024	2025
\$ 6,710	\$ 11,026	\$ 5,825	\$ 6,472	\$ 8,014	\$ 8,341
31,551	29,927	30,704	25,263	36,033	39,747
7,639	8,363	6,613	8,632	10,425	13,594
2,376	2,674	2,124	2,707	3,523	3,035
16,062	13,972	16,160	19,976	24,319	25,023
156	98	(41)	170	67	68
2,144	3,016	3,062	2,833	2,699	2,631
63,001	66,638	69,076	66,053	85,080	92,439
15,096	14,731	13,992	14,894	17,282	19,435
12,224	11,772	11,112	12,038	13,007	13,005
637	751	941	671	856	793
213	215	387	471	380	526
1,005	1,278	(110)	1,638	1,771	1,917
2,354	2,547	2,995	5,121	4,162	4,019
31,102	31,529	31,294	34,833	37,458	39,695
\$ 94,103	\$ 98,167	\$ 100,370	\$ 100,886	\$ 122,538	\$ 132,134
\$ 115	\$ 97	\$ 95	\$ 141	\$ 132	\$ 67
1,496	1,531	1,177	901	1,454	1,711
4,219	4,437	6,248	5,045	5,516	4,077
3,053	957	13,443	4,438	5,936	9,511
2,924	2,649	4,045	5,016	5,444	6,071
-	-	-	-	-	-
424	4,316	4,486	1,735	1,105	881
193	1,502	459	1,230	2,084	3,959
12,347	12,424	15,489	18,506	21,671	26,277
20,615	20,081	20,118	19,523	19,262	20,181
15,127	13,099	15,385	17,693	17,070	17,928
617	611	621	627	633	646
480	452	500	529	562	628
1,930	1,628	2,380	2,534	2,656	2,714
3,861	3,373	5,690	8,550	5,695	4,523
-	-	12,979	-	-	-
42,473	42,630	39,244	49,456	45,878	46,620
\$ 54,820	\$ 55,054	\$ 54,733	\$ 67,962	\$ 67,549	\$ 72,897
\$ (54,214)	\$ (53,587)	\$ (34,494)	\$ (47,547)	\$ (63,409)	\$ (66,162)
11,101	7,950	28,356	14,623	8,420	6,925
\$ (39,283)	\$ (43,113)	\$ (45,637)	\$ (32,924)	\$ (54,989)	\$ (59,237)
\$ 23,304	\$ 24,224	\$ 27,723	\$ 31,317	\$ 31,562	\$ 34,451
14,803	15,666	18,951	18,680	19,093	18,884
20,417	5,739	12,379	18,272	19,289	20,169
5,503	5,303	4,913	4,823	5,933	6,086
383	371	626	1,179	453	937
-	-	-	-	-	-
6,000	3,003	(6,627)	3,668	10,046	11,507
2,213	2,243	1,529	1,975	1,967	3,624
82,755	72,623	56,549	79,914	88,343	95,658
831	279	571	422	417	687
2,942	512	(2,960)	1,570	4,748	5,470
(2,213)	(2,243)	(1,529)	(1,975)	(1,967)	(3,624)
173	1,560	(1,452)	17	3,198	2,533
18,411	2,963	24,701	32,366	24,932	29,495
12,663	6,499	24,436	14,639	11,617	9,459
\$ 43,648	\$ 31,074	\$ 9,462	\$ 47,005	\$ 36,549	\$ 38,954

CITY OF BURLINGAME, CALIFORNIA
FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (modified accrual basis of accounting)
(amounts express in thousands)

	2016	2017	2018	2019	2020
General Fund:					
Nonspendable	\$ 337	\$ 215	\$ 6	\$ 4	\$ 7
Restricted	-	12	4,391	7,480	10,824
Committed	-	-	-	-	-
Assigned	18,638	19,386	19,930	21,582	21,728
Unassigned	11,003	13,659	12,046	20,102	12,268
Total general fund	<u>\$ 29,978</u>	<u>\$ 33,272</u>	<u>\$ 36,373</u>	<u>\$ 49,168</u>	<u>\$ 44,827</u>
All other governmental funds:					
Nonspendable	\$ 575	\$ -	\$ -	\$ -	\$ -
Restricted	21,034	25,196	22,325	21,117	66,037
Committed	20,874	22,359	27,005	27,765	36,439
Assigned	13,500	20,500	25,800	30,800	24,656
Unassigned	97	(5)	-	-	-
Subtotal all other governmental funds	<u>\$ 56,080</u>	<u>\$ 68,050</u>	<u>\$ 75,130</u>	<u>\$ 79,682</u>	<u>\$ 127,132</u>
Total governmental fund balance	<u>\$ 86,058</u>	<u>\$ 101,322</u>	<u>\$ 111,503</u>	<u>\$ 128,850</u>	<u>\$ 171,959</u>
	2021	2022	2023	2024	2025
General Fund:					
Nonspendable	\$ 16	\$ -	\$ 310	\$ 126	\$ 74
Restricted	15,723	-	17,564	20,301	22,311
Committed	-	-	-	-	-
Assigned	17,430	18,948	21,363	24,183	27,244
Unassigned	12,038	26,258	15,754	12,798	8,016
Subtotal General Fund	<u>\$ 45,207</u>	<u>\$ 45,206</u>	<u>\$ 54,991</u>	<u>\$ 57,408</u>	<u>\$ 57,645</u>
All other governmental funds:					
Nonspendable	\$ -	\$ -	\$ 37	\$ 72	\$ 168
Restricted	51,621	51,621	48,361	51,968	60,378
Committed	30,982	52,180	25,777	35,303	45,353
Assigned	21,198	-	21,198	20,598	16,768
Unassigned	-	-	-	-	-
Subtotal all other governmental funds	<u>\$ 103,801</u>	<u>\$ 103,801</u>	<u>\$ 95,373</u>	<u>\$ 107,941</u>	<u>\$ 122,667</u>
Total governmental fund balance	<u>\$ 149,008</u>	<u>\$ 149,007</u>	<u>\$ 150,364</u>	<u>\$ 165,349</u>	<u>\$ 180,312</u>



Annual Comprehensive Financial Report

June 30, 2025

CITY OF BURLINGAME, CALIFORNIA
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
Last Ten Fiscal Years (modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
REVENUES:					
Property taxes	\$ 17,645	\$ 18,933	\$ 20,335	\$ 21,956	\$ 23,304
Sales and use taxes	12,828	12,089	12,819	17,820	14,803
Transient occupancy taxes	26,092	26,263	27,936	29,384	20,416
Other taxes	3,154	3,024	3,216	3,233	3,134
Licenses and permits	86	88	83	85	99
Fines, forfeitures, and penalties	864	898	976	1,209	793
Investment income	1,036	309	547	5,059	5,174
Motor vehicle in lieu tax	-	-	-	-	-
Intergovernmental	1,435	1,383	1,653	1,980	2,369
Charges for services	7,919	14,284	9,298	9,918	11,257
Grant and governmental revenues	1,075	779	2,048	1,010	443
Other revenue	391	427	378	416	553
Total revenues	68,749	72,525	78,477	79,289	92,070
EXPENDITURES:					
Current					
General government	4,917	5,148	5,604	5,922	6,515
Public safety	25,057	25,646	26,448	27,647	28,631
Public works	7,330	6,238	6,617	6,313	6,593
Community development	1,406	1,531	1,812	1,710	2,374
Parks, recreation and library	12,725	13,590	15,642	16,128	15,188
Shuttle operations	137	150	160	168	156
Other	-	-	-	-	-
Capital Outlay	3,885	4,863	8,080	14,429	14,295
Debt service:					
Principal	5,832	5,596	5,246	2,600	3,929
Interest	2,633	3,182	2,364	1,963	2,697
Cost of issuance	-	-	-	-	303
Total expenditures	66,607	63,922	65,944	71,973	76,880
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,142	8,603	12,533	7,316	15,190
OTHER FINANCING SOURCES (USES):					
Transfer in	30,150	26,378	29,605	28,964	28,731
Transfer out	(38,264)	(23,648)	(26,741)	(26,806)	(26,518)
Pension obligation bonds issued	-	-	-	-	-
Payment to PERS retirement	-	-	-	-	-
Refund bond issued	-	-	-	-	-
Premium on bonds issued	1,045	-	-	-	-
Proceeds from issuance of debt	9,855	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	2,786	2,730	2,864	2,158	2,213
Net change in fund balances	\$ 11,389	\$ 15,263	\$ 10,180	\$ 17,348	\$ 3,877
Debt service as a percentage of noncapital expenditures	13%	14%	14%	7%	10%

Fiscal Year				
2021	2022	2023	2024	2025
\$ 24,224	\$ -	\$ 31,317	\$ 31,562	\$ 34,451
15,666	1	17,142	17,628	17,386
5,738	(1)	18,271	19,288	20,169
2,958	-	3,296	4,227	4,299
86	-	87	87	86
701	-	762	722	874
2,886	85	3,217	8,483	9,607
-	-	-	-	-
2,346	3,034	3,066	3,171	3,285
8,911	389	14,721	17,723	20,574
5,793	432	1,568	2,534	3,405
352	1,003	2,494	1,231	2,390
82,345	4,943	95,941	106,656	116,526
6,320	60	7,000	7,888	8,115
29,812	63	31,978	35,152	36,948
6,908	-	7,102	8,440	9,007
2,883	25	2,978	3,598	3,027
14,331	234	20,319	23,016	22,885
98	101	101	67	68
-	-	-	-	-
39,514	230	9,993	9,260	18,814
11,494	-	2,828	2,978	3,150
3,255	-	3,374	3,241	3,173
343	-	-	-	-
80,681	713	85,673	93,640	105,187
1,664	4,230	10,268	13,016	11,339
37,770	57	20,155	24,750	29,492
(35,528)	(2,446)	(18,181)	(22,783)	(25,868)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
20,038	-	-	-	-
-	-	-	-	-
22,280	(2,389)	1,974	1,967	3,624
\$ (23,017)	\$ 1,841	\$ 12,242	\$ 14,983	\$ 14,963
20%	20%	8%	7%	7%

CITY OF BURLINGAME, CALIFORNIA
ASSESSED VALUES OF TAXABLE PROPERTY
Last Ten Fiscal Years

Category	2015-16	2016-17	2017-18	2018-19	2019-20
Residential	\$ 6,543,165,637	\$ 6,996,722,454	\$ 7,392,749,191	\$ 7,873,773,642	\$ 8,453,667,110
Commercial	1,487,657,043	1,665,932,944	1,857,291,724	1,978,102,748	2,064,268,140
Industrial	500,290,183	523,550,270	545,609,274	650,767,854	770,865,330
Government	16,859,592	17,116,700	17,459,033	40,103,131	39,254,268
Institutional	5,545,746	5,634,571	5,743,999	5,819,973	5,958,515
Miscellaneous	63,818,615	76,577,551	102,398,944	2,461,921	2,511,155
Recreational	30,269,253	30,095,025	30,696,916	52,691,864	53,744,894
Vacant Land	43,082,544	62,448,455	63,823,350	18,242,238	31,975,517
SBE Nonunitary	2,763,435	2,763,435	2,763,435	2,763,435	3,841,026
Unsecured	324,903,282	329,134,973	338,411,794	344,682,252	360,169,404
TOTALS	<u>\$ 9,018,355,330</u>	<u>\$ 9,709,976,378</u>	<u>\$ 10,356,947,660</u>	<u>\$ 10,969,409,058</u>	<u>\$ 11,786,255,359</u>
Total Direct Rate	0.14250	0.14246	0.14245	0.14245	0.14242

Note:

Exempt values are not included in the total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: San Mateo County Assessor 2015/16 - 2024/25 Combined Tax Rolls

2020-21		2021-22		2022-23		2023-24		2024-25	
\$	9,086,726,751	\$	9,656,945,674	\$	10,447,511,679	\$	11,063,630,287	\$	11,817,486,620
	2,850,479,408		2,858,316,178		3,350,020,829		3,652,491,403		3,951,129,903
	673,478,092		703,049,943		858,701,910		895,367,566		1,112,916,873
	20,329,877		19,435,460		31,143,439		64,766,305		6,917,598
	6,077,249		6,206,157		6,288,673		6,459,251		8,604,883
	2,561,375		2,587,908		2,639,663		2,692,452		63,440,697
	54,810,016		66,588,295		67,992,668		89,100,714		91,495,876
	55,962,779		90,966,770		23,815,355		49,934,012		82,573,167
	3,841,026		3,841,026		3,841,026		2,540,870		2,695,197
	351,494,932		359,345,840		453,771,246		570,684,274		617,299,258
\$	13,105,761,505	\$	13,767,283,251	\$	15,245,726,488	\$	16,397,667,134	\$	17,754,560,072
	0.14240		0.14240		0.14239		0.14241		0.14235

CITY OF BURLINGAME, CALIFORNIA
NET TAXABLE ASSESSED VALUE HISTORY
Last Ten Fiscal Years

TAXABLE PROPERTY VALUES

LIEN YEAR	SECURED	UNSECURED	SBE	NET TOTAL	% CHANGE
			NONUNITARY	ASSESSED VALUE	
2015/16	8,690,688,613	324,903,282	2,763,435	9,018,355,330	6.78%
2016/17	9,378,077,970	329,134,973	2,763,435	9,709,976,378	7.67%
2017/18	10,015,772,431	338,411,794	2,763,435	10,356,947,660	6.66%
2018/19	10,621,963,371	344,682,252	2,763,435	10,969,409,058	5.91%
2019/20	11,422,244,929	360,169,404	3,841,026	11,786,255,359	7.45%
2020/21	12,750,425,547	351,494,932	3,841,026	13,105,761,505	11.20%
2021/22	13,404,096,385	359,345,840	3,841,026	13,767,283,251	5.05%
2022/23	14,788,114,216	453,771,246	3,841,026	15,245,726,488	10.74%
2023/24	15,824,441,990	570,684,274	2,540,870	16,397,667,134	7.56%
2024/25	17,134,565,617	617,299,258	2,695,197	17,754,560,072	8.27%

Source: San Mateo County Assessor

CITY OF BURLINGAME, CALIFORNIA
PROPERTY TAX RATES--DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years
(per \$100 of assessed value)

Fiscal Year	General County, City and Schools ⁽¹⁾⁽²⁾	DEBT AND/OR SPECIAL ASSESSMENTS						Total Tax Rate
		City	County	Peninsula Hospital	Community College District	Elementary School District	High School District	
	\$	\$	\$	\$	\$	\$	\$	\$
2015	1.000000	0.000000	0.000000	0.000000	0.019000	0.101500	0.047500	1.168000
2016	1.000000	0.000000	0.000000	0.000000	0.025000	0.090000	0.046600	1.161600
2017	1.000000	0.000000	0.000000	0.000000	0.024700	0.082400	0.041500	1.148600
2018	1.000000	0.000000	0.000000	0.000000	0.023500	0.103800	0.043300	1.170600
2019	1.000000	0.000000	0.000000	0.000000	0.017500	0.097700	0.040700	1.155900
2020	1.000000	0.000000	0.000000	0.000000	0.026600	0.092500	0.038500	1.157600
2021	1.000000	0.000000	0.000000	0.000000	0.021300	0.094700	0.044900	1.160900
2022	1.000000	0.000000	0.000000	0.000000	0.022700	0.102500	0.048800	1.174000
2023	1.000000	0.000000	0.000000	0.000000	0.019300	0.079900	0.050400	1.149600
2024	1.000000	0.000000	0.000000	0.000000	0.019000	0.117800	0.047600	1.184400
2025	1.000000	0.000000	0.000000	0.000000	0.017800	0.110700	0.044500	1.173000

City's Share of 1% Levy Per Prop 13 ⁽³⁾ 0.14464

Redevelopment Rate ⁽⁴⁾ 0.00000

Total Direct Rate ⁽⁵⁾ 0.14235

Note:

(1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies in which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

(3) City's share of 1% levy is based on the City's share of the General Fund tax rate area with the largest net taxable value within the city. Educational Revenue Augmentation Fund (ERAF) General Fund tax shifts may not be included in tax ratio figures.

(4) Redevelopment Agency (RD) rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State Statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated RDA from the State of California for the fiscal year 2012/13 and years thereafter.

(5) Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013-14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012-13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

CITY OF BURLINGAME, CALIFORNIA

TOP TEN PROPERTY TAXPAYERS

June 30, 2025

(amounts expressed in thousands)

2024/25				2015/16			
Taxpayer	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxpayer	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value (1)		Value		Value (1)
Burlingame Point LLC	888,514	1	5.00%	EQR-NorthPark LP	118,730	1	1.32%
Peninsula Owner LLC	299,754	2	1.69%	HMC Burlingame Hotels LLC	117,946	2	1.31%
HMC Burlingame Hotels LLC	240,507	3	1.35%	Inland Amer Lodging Burlingame LLC	108,795	3	1.21%
King 1699 Bayshore Owner LLC	218,380	4	1.23%	Burlingame Bay LLC	72,126	4	0.80%
Anson Apartments LLC	212,797	5	1.20%	Felcor CSS Holdings LP	56,642	5	0.63%
Facebook Inc	173,246	6	0.98%	MNCVAD-Harvest One Bay LLC	49,607	6	0.55%
EQR-Northpark LP	139,898	7	0.79%	EQR-Skyline Terrace LP	45,396	7	0.50%
Inland Amer Lodging Burlingame LLC	128,192	8	0.72%	DCT Rollins Road LLC	36,735	8	0.41%
CP VII Adrian LLC	119,574	9	0.67%	100-198 California Drive LLC	30,617	9	0.34%
HANIMPV North Rollins Burlingame CA	119,376	10	0.67%	Harbor View Hotels Inc	29,090	10	0.32%
	<u>\$ 2,540,238</u>		<u>14.30%</u>		<u>\$ 665,684</u>		<u>7.39%</u>

(1) 2024-25 Local Combined Assessed Valuation \$ 17,754,560

Source: San Mateo County Assessor Combined Tax Rolls and the SBE Non Unitary Tax Roll

CITY OF BURLINGAME, CALIFORNIA
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy	Collected Within Year of Levy		Delinquent Tax Collections	Total Collections	
		Current Tax Collections	% of Levy		Total Tax Collections	% of Levy
2016	15,144,338	14,512,541	95.83%	-	14,512,541	95.83%
2017	16,321,692	15,570,855	95.40%	-	15,570,855	95.40%
2018	17,425,188	16,758,071	96.17%	-	16,758,071	96.17%
2019	18,469,901	18,490,239	100.11%	-	18,490,239	100.11%
2020	19,862,525	19,780,067	99.58%	-	19,780,067	99.58%
2021	22,113,831	21,944,375	99.23%	-	21,944,375	99.23%
2022	23,242,357	23,872,994	102.71%	-	23,872,994	102.71%
2023	27,692,338	26,108,849	94.28%	-	26,108,849	94.28%
2024	30,019,531	27,688,445	92.23%	-	27,688,445	92.23%
2025	32,129,375	29,910,466	93.09%	-	29,910,466	93.09%

Notes:

(1) Current tax collections are more than the levy due to roll corrections, county administrative charges, and other adjustments which may occur after the date of levy.

(2) The City participates in the Teeter Plan under California State law. Under the Teeter Plan, the County remints the entire tax levy and manages delinquent tax collections with the associated interest and penalties.

Source: San Mateo County Controller's Office; Audited City financial records

CITY OF BURLINGAME, CALIFORNIA
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
 (accrual basis of accounting)
 (amounts expressed in thousands)

Fiscal year	Property Tax	Sales & Use Tax	Transient Occupancy Tax	Other Taxes	Inter-governmental Revenues	Total
2016	17,645	12,828	26,092	3,154	1,435	61,154
2017	18,933	12,089	26,263	3,024	1,383	61,692
2018	20,335	12,820	27,936	3,216	1,653	65,960
2019	21,956	17,820	29,384	3,233	1,980	74,373
2020	23,304	14,803	20,417	3,134	2,369	64,027
2021	24,224	15,666	5,739	2,958	2,324	50,911
2022	27,723	17,577	12,377	3,511	2,741	63,929
2023	31,317	17,141	18,259	3,296	3,034	73,047
2024	31,202	17,628	19,270	4,227	3,133	75,460
2025	34,451	17,386	20,137	4,299	3,236	79,509

Source: Audited City Financial records - Governmental Funds

CITY OF BURLINGAME, CALIFORNIA
RATIOS OF OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Business-Type Activities		Total Primary Government	Percentage of Personal Income ⁽¹⁾	Per Capita ⁽¹⁾
	Lease Revenue	Storm	Pension Obligation	Direct	State Loans	Lease	Sewer	Water			
	Bond	Drainage	Bonds	Borrowing ⁽²⁾		Purchase	Bonds	Bonds			
2016	15,040,564	28,920,064	15,050,000	-	228,210	462,866	27,143,163	22,154,450	108,999,317	6.03%	3,667
2017	13,773,133	28,060,024	12,145,000	-	-	-	25,861,091	21,262,243	101,101,491	5.44%	3,353
2018	12,465,703	27,169,985	8,970,000	-	-	-	24,129,246	19,895,915	92,630,849	4.77%	3,058
2019	11,118,270	26,249,945	8,510,000	-	-	-	22,351,473	18,499,587	86,729,275	4.11%	2,861
2020	47,666,927	25,289,905	8,005,000	298,145	-	-	20,522,219	17,068,259	118,850,455	5.53%	3,946
2021	45,483,443	36,046,474	7,450,000	249,081	-	-	18,640,918	15,586,931	123,456,847	5.46%	4,150
2022	44,439,323	34,553,673	6,845,000	200,017	-	-	16,701,991	14,045,603	116,785,607	4.92%	3,856
2023	43,360,203	32,975,872	6,185,000	152,152	-	-	14,694,841	12,449,275	109,817,343	4.19%	3,644
2024	42,246,083	31,333,071	5,460,000	118,832	-	-	12,618,857	10,787,947	102,564,790	3.66%	3,361
2025	41,086,963	29,625,270	4,670,000	88,494	-	-	10,473,411	9,056,619	95,000,757	3.18%	3,011

Note:

(1) Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

Furthermore, please reference the schedule of Demographic and Economic Statistics for personal income and per capita data. Data for calendar year 2018 is not available. Therefore, in order to present a useful estimate, personal income data for calendar year 2016 has been used.

(2) PG&E on-bill financing loans - issued in fiscal year 2020.

CITY OF BURLINGAME, CALIFORNIA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Net Total Assessed Value	Percentage of Estimated Actual Taxable Value of Property	Burlingame Population	Per Capita
2016	15,050,000	9,018,355,330	0.17%	29,724	506
2017	12,145,000	9,709,976,378	0.13%	30,148	403
2018	8,970,000	10,356,947,660	0.09%	30,294	296
2019	8,510,000	10,969,409,058	0.08%	30,317	281
2020	8,005,000	11,786,255,359	0.07%	30,118	266
2021	7,450,000	13,105,761,505	0.06%	29,746	250
2022	6,845,000	13,767,283,251	0.05%	30,283	226
2023	6,185,000	15,245,726,488	0.04%	30,136	205
2024	5,460,000	16,397,667,134	0.03%	30,136	181
2025	4,670,000	17,754,560,072	0.03%	31,552	148

Note:

The City has had no general obligations bonds outstanding over the last ten years. However, because the 2006 Pension Obligation Bonds are to be repaid with general government resources, they are shown as general obligation bonds included in this table.

CITY OF BURLINGAME, CALIFORNIA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT*
June 30, 2025

2024-25 Assessed Valuation** : \$17,744,269,538

	Total Debt June 30, 2025	Percent Applicable (1)	City's share of Debt June 30, 2025
OVERLAPPING TAX AND ASSESSMENT DEBT:			
San Mateo Community College District	\$ 655,171,697	5.449%	\$ 35,700,306
San Mateo Union High School District	668,248,421	16.067%	\$ 107,367,474
Burlingame School District	183,683,022	95.528%	\$ 175,468,717
Hillsborough School District	134,153,355	0.124%	\$ 166,350
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT	\$ 1,641,256,495		\$ 318,702,847
DIRECT AND OVERLAPPING LEASE OBLIGATION DEBT:			
San Mateo County General Fund Obligations	\$ 530,970,772	5.449%	\$ 28,932,597
San Mateo County Board of Education Certificates of Participation	5,330,000	5.449%	290,432
City of Burlingame, Pension Obligation Bonds, Series 2006	4,670,000	100.000%	4,670,000
City of Burlingame, Storm Drainage Revenue Bonds, Series 2010	6,005,130	100.000%	6,005,130
City of Burlingame, Lease Revenue Bonds, Series 2012	7,131,145	100.000%	7,131,145
City of Burlingame, Storm Drainage Revenue Bonds, Series 2016	7,170,698	100.000%	7,170,698
City of Burlingame, Lease Revenue Bonds, Series 2019	33,955,818	100.000%	33,955,818
City of Burlingame, Storm Drainage Revenue Bonds, Series 2021	16,449,442	100.000%	16,449,442
PG&E Loan - 2020	88,494	100.000%	88,494
San Mateo County Mosquito and Vector Control District General Fund Obl	3,185,295	5.449%	173,567
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT	\$ 614,956,794		\$ 104,867,323
Less: City of Burlingame Pension Obligation Bonds supported by enterprise revenues			1,167,500
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 103,699,823
TOTAL GROSS DIRECT DEBT			\$ 75,470,727
TOTAL NET DIRECT DEBT			\$ 74,303,227
TOTAL OVERLAPPING DEBT			\$ 348,099,443
GROSS COMBINED TOTAL DEBT			\$ 423,570,170 (2)
NET COMBINED TOTAL DEBT			\$ 422,402,670

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.80%
Total Gross Direct Debt (\$43,005,000)	0.43%
Total Net Direct Debt (\$41,458,750)	0.42%
Gross Combined Total Debt	2.39%
Net Combined Total Debt	2.38%

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Burlingame. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and, therefore responsible for repaying the debt of each overlapping government.

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source: California Municipal Statistics

CITY OF BURLINGAME, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years
(amount expressed in thousands)

	Fiscal Year			
	2016	2017	2018	2019
Debt limit	\$ 323,138	\$ 351,979	\$ 379,416	\$ 402,843
Pension Obligation Bond	\$ 15,050	\$ 12,145	\$ 8,970	\$ 8,510
Total net debt applicable to the limit as a percentage of debt limit	4.7%	3.5%	2.4%	2.1%

Legal Debt Margin Calculation for Fiscal Year 2025

Gross Assessed Valuation	\$ 17,754,560,072
Multiplied by: (1)	0.0375
	<u>665,796,003</u>
Less: Amount of Debt Applicable to Limit	4,670,000
Legal Debt Margin	<u><u>\$ 661,126,003</u></u>

(1) California Government, Code Section 43605 sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% of full market value. Thus, the limit shown is 3.75% (one-fourth the limit of 15%).

Fiscal Year						
2020	2021	2022	2023	2024	2025	
\$ 433,980	\$ 484,016	\$ 509,428	\$ 565,530	\$ 609,453	\$ 661,126	
\$ 8,005	\$ 7,450	\$ 6,845	\$ 6,185	\$ 5,460	\$ 4,670	
1.8%	1.5%	1.3%	1.1%	0.8%	0.7%	

CITY OF BURLINGAME, CALIFORNIA
PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

Water Revenue Bonds						
Fiscal Year	Water Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	15,178,439	9,945,476	5,232,963	1,135,000	928,601	2.54
2017	16,385,236	10,933,600	5,451,636	1,240,000	705,220	2.80
2018	18,635,292	11,843,823	6,791,469	1,180,000	772,751	3.48
2019	19,683,908	12,043,332	7,640,576	1,210,000	737,151	3.92
2020	20,641,914	12,343,328	8,298,586	1,245,000	696,600	4.27
2021	20,090,362	12,013,714	8,076,648	1,295,000	647,401	4.16
2022	20,120,936	11,319,453	8,801,483	1,355,000	593,400	4.52
2023	19,533,663	12,243,255	7,290,408	1,410,000	531,500	3.76
2024	19,278,183	14,615,399	4,662,784	1,475,000	467,050	2.40
2025	20,261,667	16,796,483	3,465,184	1,545,000	393,300	1.79
Wastewater Revenue Bonds						
Fiscal Year	Wastewater Charges	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2016	15,634,340	6,973,545	8,660,795	785,000	668,183	5.96
2017	15,821,906	7,081,664	8,740,242	870,000	470,705	6.52
2018	15,866,790	7,421,431	8,445,359	795,000	541,101	6.32
2019	15,732,905	8,122,946	7,609,959	820,000	519,101	5.68
2020	15,440,418	8,476,479	6,963,939	850,000	494,050	5.18
2021	13,098,508	8,003,949	5,094,559	880,000	460,226	3.80
2022	15,634,824	7,426,261	8,208,563	915,000	423,775	6.13
2023	17,791,781	8,389,031	9,402,750	960,000	380,926	7.01
2024	17,074,774	9,400,218	7,674,556	1,005,000	335,976	5.72
2025	18,034,161	9,731,758	8,302,403	1,050,000	285,726	6.22

Notes:

Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.
Operating expenses, for purposes of calculating debt service coverage, do not include depreciation and amortization.
The above reference debt service only includes parity debt.

CITY OF BURLINGAME, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Calendar Year	Population (1)	Personal Income (amounts expressed in thousands)(2)	Per Capita Personal Income (2)	% of Population 25+ with High School Degree	% of Population 25+ with Bachelor's Degree	Unemployment Rate (3)
2015	29,724	1,808,528	60,844	95.8%	58.0%	2.6%
2016	30,148	1,856,902	61,592	96.6%	58.5%	2.3%
2017	30,294	1,943,371	64,150	96.3%	60.5%	2.2%
2018	30,317	2,109,904	69,594	96.4%	63.6%	2.2%
2019	30,118	2,147,950	71,317	95.2%	65.3%	1.9%
2020	29,746	2,261,639	76,031	96.0%	67.8%	5.8%
2021	30,283	2,375,233	78,434	96.1%	66.6%	4.0%
2022	30,136	2,620,053	86,940	95.2%	65.1%	2.3%
2023	30,513	2,799,657	91,752	94.7%	64.3%	3.1%
2024	31,552	2,985,544	94,622	95.0%	64.2%	3.8%

Sources:

- (1) California State Department of Finance
- (2) Income Data: ESRI provided by HDL, Coren & Cone
- (3) State of California Employment Development Department for San Mateo County

CITY OF BURLINGAME, CALIFORNIA
PRINCIPAL EMPLOYERS
Last Fiscal Year and Nine Years Ago

Business Name	2024-25		2015-16	
	Number of Employees	Percent of Total Employment (%)	Number of Employees (1)	Percent of Total Employment (%)
Meta Reality Labs Campus	2,378	13.83%		
Mills-Penninsula Medical Center - Sutter Health	1,795	10.44%	1,594	8.96%
Burlingame Skilled Nursing Center	313	1.82%	354	1.99%
Burlingame School District	312	1.81%	326	1.83%
Hyatt Regency SF Airport*	310	1.80%	410	2.30%
American Medical Reponse (AMR)*	277	1.61%	232	1.30%
Putnam Auto	272	1.58%	253	1.42%
City of Burlingame (3)	231	1.35%		
Guittard Chocolate Co.*	229	1.33%	250	1.40%
Lahlouh Inc.	164	0.95%		
LSG/Sky Chefs, Inc.			468	2.63%
Flying Food Group			340	1.91%
San Francisco Airport Marriott			300	1.69%
Total Top 10 Employers	6,281	36.52%	4,527	25.43%
Total City Labor Force (2)	17,200		17,800	

Source: Avenu Insights & Analytics

(1) City of Burlingame Publication, 2015 Annual Comprehensive Financial Statement Report.

(2) Total City Labor Force provided by EDD Labor Force Data.

Results based on direct correspondence with City's local businesses.

* Includes full and part time

(3) City of Burlingame - FY2024-25 Adopted Budget Publication

CITY OF BURLINGAME, CALIFORNIA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General government	19.63	19.88	19.88	19.88	23.53	23.53	23.53	24.53	24.65	24.65
Public safety										
Police:										
Officers	37.00	39.00	39.00	40.00	40.00	40.00	40.00	40.00	40.00	40.00
Civilians	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00
Fire:										
Firefighters and officers	-	-	-	-	-	-	-	-	-	-
Civilians	-	-	-	-	-	-	-	-	-	-
Public works	62.99	62.99	64.99	64.99	64.99	65.99	65.99	66.00	68.00	68.00
Community development	11.75	12.75	12.75	12.75	17.00	17.00	17.00	19.00	19.00	20.75
Leisure and culture	53.93	54.38	54.38	54.63	55.50	55.50	55.50	55.50	57.00	58.00

Note:
The Central County Fire Department (CCFD) is a
Joint Powers Authority shared by the Town of
Hillsborough and City of Burlingame.
Please refer to the Notes to the Financial
Statements which define the reporting entity. CCFD
is a non-disclosed organization, independently
governed, and therefore, no longer a reporting unit

Source: City of Burlingame

CITY OF BURLINGAME, CALIFORNIA
OPERATING INDICATORS BY FUNCTION
FOR FISCAL YEAR 2024-25 (COMPARED TO 5 YEARS AGO)

	2021	2022	2023	2024	2025
Function					
Police					
Calls for Service	48,284	47,218	42,851	42,764	43,719
Physical arrests	606	586	535	522	526
Crimes Reported	2,283	2,142	2,234	2,054	3,316
Traffic Stops	3,889	4,160	3,440	3,476	5,788
Fire					
Number of calls answered	N/A	N/A	N/A	N/A	N/A
Inspections	N/A	N/A	N/A	N/A	N/A
Public works					
Street repair (sq. ft.)	9,826	24,643	5,039	42,160	25,067
Sidewalk & curb repair (sq. ft.)	43,788	43,609	57,286	28,824	33,678
City planning					
Plans checked	485	532	494	420	404
Planning applications reviewed	180	147	165	140	121
Building					
Permit issued	1,287	1,404	1,310	1,381	1,559
Inspections conducted	9,319	9,551	9,785	11,668	12,466
Leisure and culture					
Recreation Class Participants	9,306*	8,384*	12,892	14,408	10,672
Library circulation	403,975*	603,403*	684,503	715,024	731,376
Tree plantings	289	332	314	436	530
Tree trimmings	1,351	1,892	2,367	6,442	3,361
Water					
New connections	4	22	2	4	0
Main and valve repairs	22	20	23	14	15
Millions of gallons purchased (millions of gallons)	1,200	1,194	1,189	1,154	1,221
Wastewater					
Average daily sewage treatment (millions of gallons)	2.10	2.57	3.17	2.51	2.63
Preventive Maintenance, main cleaning (Feet)	379,239	199,267	388,181	449,236	413,750

Source: Various city department records.

Police statistical data has been presented on a calendar year basis.

Central County Fire Department data is now reported with the Central County Fire Department ACFR.

*Recreation Class Participants in fiscal year 2020 to 2022 - COVID restrictions affected enrollments.

*Library Circulation in fiscal year 2020 to 2022 - Affected by Covid Lockdown

CITY OF BURLINGAME, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION
FOR FISCAL YEAR 2024-25 (COMPARED TO 5 YEARS AGO)

	2021	2022	2023	2024	2025
Function					
Public works					
Streets (miles)	158	158	158	158	152
Streetlights	1,714	1,714	1,715	1,715	1,170
Traffic signals	19	19	19	19	20
Water					
Water mains (miles)	100	100	100	100	100
Fire hydrants	837	850	848	850	851
Maximum Storage Reservoir capacity (thousands of gallons)	2,940	2,940	2,940	2,940	2,940
Sewer					
Sanitary sewers (miles)	89	89	89	89	89
Storm sewers (miles)	59	59	59	59	59
Average daily treatment capacity (thousands of gallons)	5,500	5,500	5,500	5,500	5,500
Storm drain pump station	5	5	5	5	5

Note:

Historical data is not available.

Source: City of Burlingame



Annual Comprehensive Financial Report

June 30, 2025

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

To the Honorable Mayor and Members of City Council
of the City of Burlingame, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements of the City of Burlingame, California, as of and for the year ended June 30, 2025, and have issued our report thereon dated November 17, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 have not been identified.

Report on Compliance and Other Matters

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

We have also issued a separate Memorandum on Internal Control dated November 17, 2025 which is an integral part of our audit and should be read in conjunction with this report.

Purpose of this Report

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

A handwritten signature in dark ink that reads "Maze + Associates". The signature is written in a cursive, flowing style.

Pleasant Hill, California
November 17, 2025