

CITY OF PINOLE



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

City of Pinole

Pinole, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2025

Prepared by the
Finance Department

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For the Year Ended June 30, 2025
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CITY OF PINOLE

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December 19, 2025

Members of the City Council
Residents of the City of Pinole

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Pinole, California (City) for the fiscal year (FY) ended June 30, 2025.

Introduction

The City issues a complete set of financial statements each year that conform to accounting principles generally accepted in the United States of America (GAAP) and are audited by an independent, certified public accounting firm. To meet this requirement, the City creates the ACFR, which contains the required audited financial statements as well as other useful supplemental information.

The City, not the auditor, is responsible for the content of the ACFR. City management assumes full responsibility for the completeness and reliability of all the information presented in the ACFR.

To protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP, the City has established a comprehensive internal control framework. The City's framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement, because it would be inefficient if the cost of internal controls outweighed their benefits. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Pun Group, an independent, certified public accounting firm, has audited the City of Pinole's financial statements for the fiscal year ended June 30, 2025. The objective of the audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating overall financial management presentation. The Pun Group concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Pinole's financial statements for the year ended June 30, 2025 are fairly presented in conformity with GAAP. Their independent auditor's report is the first component presented in the Financial section of the ACFR.

Public agencies that receive federal funding above a certain monetary threshold are required to undergo an annual "Single Audit" that incorporates the audit of financial statements mentioned above as well as an auditors' assessment of the City's internal controls and compliance with legal requirements, particularly internal controls and compliance regarding administration of federal awards. The Single Audit Report is published as a separate document from the ACFR. A Single Audit Report is not required for the City for the fiscal year ended June 30, 2025 because the City's expenditures of federal funds did not exceed the \$750,000 threshold for the year.

GAAP requires that the ACFR include a narrative introduction, overview, and analysis of the City's financial condition, provided by management in the form of the Management's Discussion and Analysis (MD&A), to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors report in the Financial section of the ACFR.

Profile of the Government

The City is primarily a residential community located in West Contra Costa County on the shores of San Pablo Bay, approximately 30 miles northeast of San Francisco and 20 miles north of Oakland. Highway Interstate 80, which traverses Pinole, connects the San Francisco/Oakland metropolitan area. State Route 4 links Pinole to the neighboring cities of Martinez, Concord, and Pleasant Hill. Pinole is a general law city that was incorporated on June 25, 1903. There are approximately five square miles of land within Pinole's boundary. It has a population of approximately 18,261 as of January 2025.

The City operates under the Council-Manager form of operation, with five Council Members elected citywide on a non-partisan basis. Council Members are elected to four-year staggered terms with three Council Members alternating election with two Council Members at two-year intervals. Each year, the Council appoints one of its members to serve as Mayor. The Council appoints the City Manager, City Attorney, and City Clerk. Policymaking and legislative authorities are vested in the City Council, which, among other things, passes ordinances, adopts the budget, and appoints committees. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the department directors.

Pinole is a full-service city, with 114 full-time equivalent authorized personnel in FY 2024/25. The City provides public safety (police), public works (maintenance of streets, infrastructure, and facilities), community development (land use and building regulation), community services including recreation programs and parks, wastewater utilities, administration, and fiscal services. Effective March 1, 2023, the Fire Department transitioned from the City of Pinole to the Contra Costa County Fire Protection District, which provides fire and emergency medical services to Pinole residents under a contract services agreement. Sewer treatment and collection services are provided by the City's Wastewater Treatment Plant.

The financial statements included in the ACFR cover the City (the primary government) and its component units if applicable. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities, are, in substance, part of the City's operations, and data from these units are combined with data from the City. The City's component unit, the City of Pinole Joint Powers Financing Authority, is a separate government entity whose purpose is to assist with the financing or refinancing of public capital facilities within the City and is all blended. Discrete component units are reported in a separate column in the basic financial statements to emphasize their separateness from the City. The Successor Agency to the Pinole Redevelopment Agency is not a component unit of the City but is accounted for in a Private Purpose Trust Fund in the Fiduciary Funds segment of the financial report. The former Redevelopment Agency was considered a component unit of the City.

The City Council must adopt an initial budget for the upcoming fiscal year no later than June 30, with the fiscal year commencing on July 1. The annual budget serves as the City of Pinole's primary financial planning and control tool. The budget is prepared by both fund and department. Department heads may transfer resources within a fund in the department's budget, provided such transfers remain within adopted appropriations limits. Any amendments to the budget at the fund level require approval by the City Council.

Local Economy

The region in which Pinole is located has a varied manufacturing, industrial, and commercial economic base. The long-term trend of the City's economy is a stable local tax base and generates tax revenue primarily from property tax, sales tax, utility users' tax, and intergovernmental tax. The City's principal businesses are engaged in merchandising and retail sales.

Pinole's population has remained stable and had a population of 18,261 in 2025, 0.45% down from 18,344 in 2024. The median household income was \$159,800 in 2025, 2.6% up from \$155,700 in 2024. The local unemployment rate in 2025 was 3.0%, down from 3.3% in 2024. Although unemployment rates have risen nationwide, Pinole has continued to experience rates consistently lower than those at the county and state levels. The total workforce in Pinole for 2025 was 9,600 employees compared to 4,544 employees nine years ago in 2016. This includes employees of the City of Pinole, major retailers, a medical center, and the school district.

To maintain service levels in the City's core municipal operations, Pinole voters approved Measure I—an additional local half-cent sales—during the November 2024 municipal election. This measure increased the City's sales tax rate to 10.25% on taxable purchases and is projected to generate approximately \$2,600,000 in additional revenue for the General Fund. The proceeds will support essential services, including public safety, road maintenance, and community services.

The City has continued to experience stable property tax values. At the end of the second quarter (June 2025), the median price of a detached single-family home in Pinole was \$710,000, the same as the median price of \$710,000 for June 2024. The county median home price was \$850,000 and the statewide median home price was \$899,560.

The City advanced several major housing, environmental, and economic development initiatives. The City secured \$650,000 in Prohousing Incentive Program funds to support the Low/Moderate Affordable Housing Asset Fund and joined the Contra Costa County Brownfields Alliance, jointly applying for an EPA Brownfields Grant to assist future redevelopment. Significant progress occurred in affordable housing production, with Certificates of Occupancy issued for both Vista Woods (179 senior units) and Valor Village (33 veteran units). The City also processed permits for the first phase of the 154-unit Appian Village condominium project.

In alignment with Major Initiative 5 of the Economic Development Strategy, staff supported downtown activation efforts by sponsoring business-led Art Walk and Street Eats events at Community Corner.

Long-Term Financial Planning and Major Initiatives

The City's long-term strategies are guided by the City of Pinole Strategic Plan 2020-2025, which establishes priorities for fiscal sustainability, community services, infrastructure investment, and economic development. As a part of its financial planning efforts, the City maintains a 20-year financial forecast that is updated annually to reflect changes in revenues, expenditures, and other economic factors. This forecast serves as a tool for identifying potential future opportunities and challenges. By proactively analyzing these trends, the City is able to align resources with community priorities and address issues through the annual budget process and capital improvement planning.

The City maintains a Capital Improvement Plan (CIP), which is a multi-year planning tool that identifies and prioritizes capital needs over the upcoming five-year horizon. The CIP aligns capital projects with appropriate funding sources, schedules, and implementation strategies. The plan serves as a working blueprint for building and sustaining publicly funded physical infrastructure. In coordination with the CIP, the City has also developed master plans that address high-priority areas, such as roads, transportation, and stormwater.

In the coming fiscal year, the City will continue to support major development and reinvestment activities throughout Pinole. Staff will perform inspections and process permits for Appian Village and continue working with the developer of the former Kmart site to either implement the approved Pinole Vista entitlements or re-envision the site for new economic activity. The City will also advance permitting for the proposed 120,000-square-foot Pinole Shores II industrial project and collaborate with the new owner of Pinole Square/Appian 80 to expedite revitalization efforts, including through potential Brownfields assistance. Additionally, the City plans to advance the potential disposition of two key City-owned downtown sites to catalyze reinvestment and further the Economic Development Strategy's goal of sustained downtown activation.

Relevant Financial Policies

The City of Pinole has adopted a comprehensive set of financial policies which are reviewed annually. Of note are the Structurally Balanced Budget Policy, Reserve Policy, and Investment Policy.

The annual budget serves as the foundation of the City's financial planning and control. Development of the budget is guided by the Structurally Balanced Budget Policy, which states that the City will aspire to create a proposed General Fund operating budget that is structurally balanced whereby current expenditures will be funded by current year revenue. The budget is legally adopted through passage of a Council resolution no later than June 30. A budget review, which includes recommended additions or changes, is presented to the City Council on a quarterly basis. Any changes as a result of these reviews are legally adopted through Council resolution.

The Council exercises budgetary control at the functional department level. Formal budgetary integration is employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Capital Project Funds, Enterprise Funds, and Internal Services Funds. The budgeted funds are adopted on a basis consistent with GAAP in the United States. Expenditures may not legally exceed budgeted appropriations at the fund level. Management does not have the authority to amend the budget without approval of the City Council.

In accordance with its Reserve Policy, the City maintains cash reserves to meet certain anticipated future obligations as well as to ensure that the City maintains adequate financial resources to continue to provide basic municipal services in the event of a significant unanticipated revenue decrease or expenditure increase. The reserves are held in a separate fund referred to as the General Reserve. The General Reserve maintains an amount equivalent to 25% (three months of coverage) of the City's annual General Fund ongoing operating expenditures per the Reserve Policy.

Public funds held by the City treasury are invested in accordance with the City's Investment Policy, which conforms to California Government Code Section 53601. The objectives of the City's Investment Policy are to invest up to 100% of temporarily idle funds while maintaining safety, liquidity, and yield. The permitted investments include U.S. treasury notes, bonds, or bills; instruments issued by a U.S. federal agency or a U.S. government sponsored enterprise; negotiable certificates of deposit (with certain restrictions); medium term corporate notes with a rating category of "AA" or better; commercial paper of "prime quality"; bankers acceptances; repurchase agreements not to exceed 30 days; money market mutual funds; and the State of California Local Agency Investment Fund.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Pinole for its ACFR for the fiscal year ended June 30, 2024. This was the twenty-seventh consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easy to read and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its continued eligibility for a certificate.

Acknowledgements

The preparation of the ACFR was made possible through the dedicated work of the Finance Department staff and with the cooperation of all City departments. Special thanks and acknowledgement are due to Maria Mata, Senior Accountant and Anthony Colden, Accounting Specialist for their commitment and effectiveness in the maintenance of the City's financial records.

I wish to acknowledge and thank the City Council for its leadership and commitment to ensuring the long-term fiscal health of the City.

Respectfully submitted,



Markisha Guillory
Finance Director

ELECTED OFFICIALS



Cameron Sasai
Mayor



Anthony Tave
Mayor Pro Tempore



Maureen Toms
Council Member



Devin Murphy
Council Member



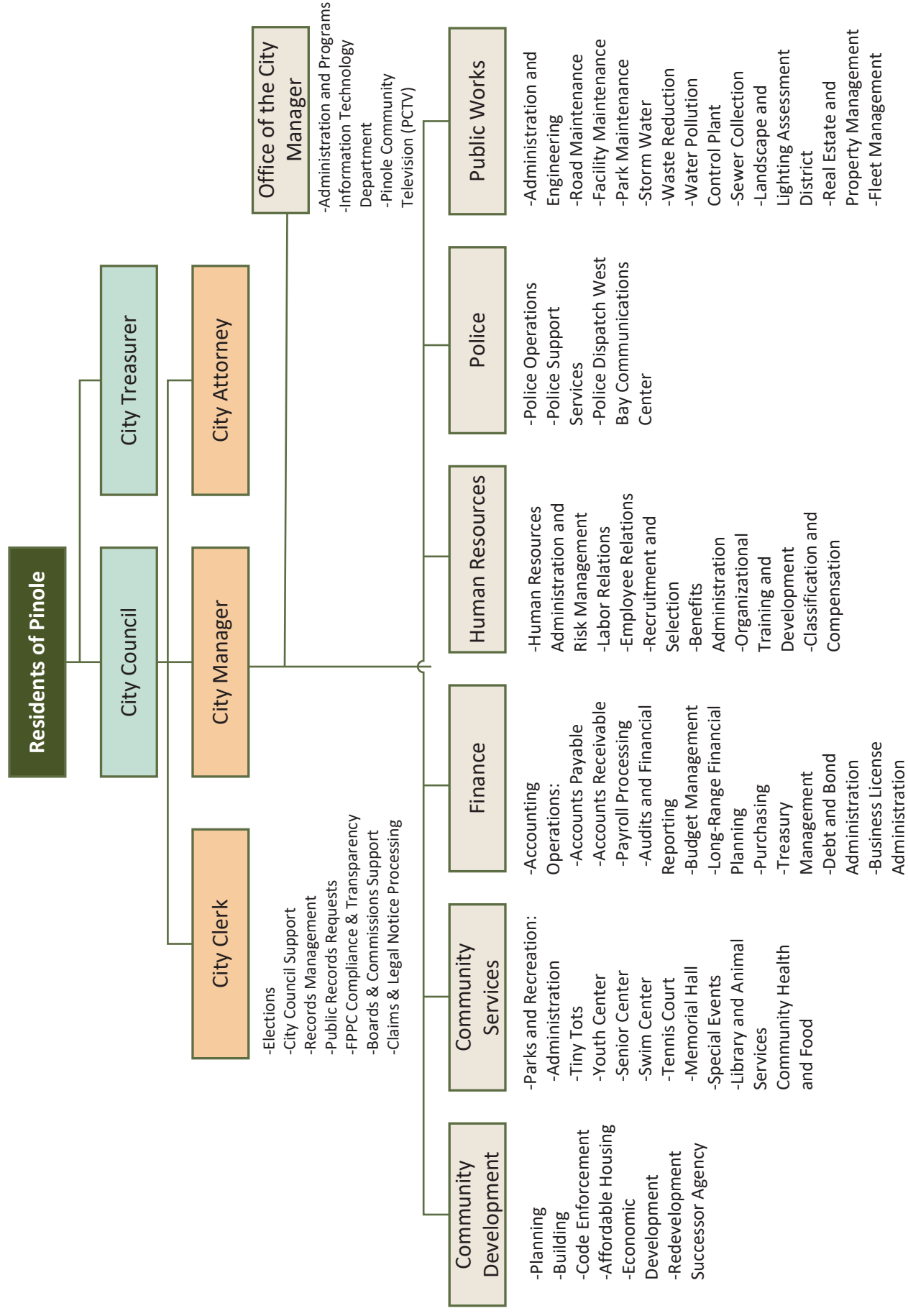
Norma Martínez-Rubin
Council Member



Roy Swearingen
City Treasurer

DEPARTMENT HEADS

City Manager	Kelcey Young
City Attorney (Contract)	Eric Casher
City Clerk	Heather Bell
Community Development Director	Lilly Whalen
Community Services Director	Andrea Dwyer
Finance Director	Markisha Guillory
Human Resources Director	Stacy Shell
Police Chief	Melissa Klawuhn
Public Works Director	Heba El-Guindy



Note: The Contra Costa County Fire Protection District provides fire safety services to Pinole residents.



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pinole
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrell

Executive Director/CEO

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of the City Council
of the City of Pinole
Pinole, California

Report on the Audit of the Financial Statements

Opinions

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

Basis for Opinions

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

Change in Accounting Principle

As discussed in Note 1 to the financial statements, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences* during the year ended June 30, 2025. The adoption of this standard resulted in the restatement of the City's net position as of June 30, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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, Budgetary Comparison Schedules, Schedule of City's Proportionate Share of the Net Pension Liability, Schedules of Contributions – Pension Plans, and Schedule of the City's Net OPEB Liability and Related Ratios, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are presented for purposes of additional analysis and are 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 GAAS. In our opinion, the Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.


Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections 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 December 17, 2025, on our consideration of 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 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 City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 17, 2025

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City of Pinole
Management's Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2025

This section of the City of Pinole's (City) Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year (FY) ended June 30, 2025 (FY 2024/25). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2024/25 by \$35.7 million (net position). The City's favorable net position reflects its fiscal health and ability to meet its obligations. Of this total, \$29.3 million is restricted for specific purposes (restricted net position), \$42.1 million is the net investment in capital assets and \$35.7 million represents a deficit in unrestricted net position. The deficit is caused primarily by the pension and other post-employment benefits liabilities.
- The City's net position decreased by \$3.2 million, an 8.4% decrease at the close of FY 2024/25 as compared to FY 2023/24, which \$0.6 million is attributable to the restatement as a result of issuing GASB 101. The decrease is primarily the net of the decrease in cash and investments with fiscal agents in governmental activities and the increase in accounts payable in business activities. Overall, governmental activities' net position decreased by \$5.4 million while business-type activities increased by \$2.2 million.
- Governmental funds reported ending balances of \$51.1 million, a decrease of \$2.7 million compared to the prior fiscal year.
- The General Fund balance closed at \$28.5 million, of which \$5.6 million is unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other required supplementary information and related notes, combining statements for non-major governmental funds, and individual fund financial statements and schedules.

Government-wide Financial Statements

Government-wide Financial Statements are designed to provide readers with a broad overview of City finances, in a manner similar to a private-sector business. The government-wide financial statements include the City (primary government); the City does not have any component units.

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

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting).

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as revenues pertaining to uncollected taxes and expenses pertaining to interest on long-term debt.

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a substantial portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public services, recreation, and community development. The business-type activities of the City include wastewater utility. As of February 1, 2012, the activity of the Successor Agency to Pinole Redevelopment Agency (Successor Agency) is reported with the City's fiduciary funds, which is not included in the government-wide statements since the resources of those funds are not available to support the City's own programs. The Successor Agency is included as a fiduciary fund as the activities are under the control of an Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency.

Fund Financial Statements

Fund Financial Statements use fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance. All of the funds of the City can be divided into three categories: *governmental funds*, *proprietary funds*, and *fiduciary funds*, as described below.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

The governmental funds focus 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. This comparison facilitates a better understanding of the long-term impact associated with the government's near-term financing decisions. 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 funds* and *governmental activities*.

The City maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects). 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 the *major funds* (see *Notes to Basic Financial Statements*).

Data from the remaining non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided as supplementary information in the form of *combining statements*.

Proprietary funds are generally used to account for services for which the City charges customers – either outside customers or internal units of departments in the City. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The City maintains two types of proprietary funds, *enterprise funds* and *internal service funds*, as described below.

- *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for the wastewater utility.

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

- *Internal service funds* are used by the City to establish reserves and account for employee benefits, equipment replacement, liability insurance, and retiree medical benefits. These funds serve both governmental and business-type functions and so they are allocated accordingly in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided as supplementary information in the form of *combining statements*.

Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Since the resources of these funds are not available to support the City's own programs, they are not reflected in the government-wide financial statements. The fiduciary funds for the City consist of the Successor Agency to the Pinole Redevelopment Agency Private-Purpose Trust Fund.

Notes to Basic Financial Statements

Notes to Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

Required Supplementary Information includes budgetary comparison schedules that have been provided for the major governmental funds to demonstrate compliance with the budget. Required supplementary information also includes schedules showing the City's progress towards funding its pension plan and other post-employment benefits (OPEB). The City participates in California's Public Employees Retirement System (CalPERS) for its pension plan and provides its employees with post-retirement health care benefits (OPEB).

Supplementary Information

Supplementary Information includes information for non-major governmental, non-major enterprise, internal service, and agency funds, and is presented immediately following the required supplementary information.

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for FY 2024/25 and FY 2023/24. The Statement of Net Position will be discussed first, followed by a discussion of the Changes in Net Position.

The following table is a summary of the Statement of Net Position as of June 30, 2025 and June 30, 2024.

Summary of Net Position

	Governmental Activities		Business-type Activities		Totals		
	2025	2024	2025	2024	2025	2024	Total % Change
Assets:							
Current and other assets	\$54,392,182	\$56,203,777	\$20,937,493	\$21,628,078	\$75,329,675	\$77,831,855	-3.2%
Capital assets	30,530,309	31,233,589	39,269,171	36,344,156	69,799,480	67,577,745	3.3%
Total assets	84,922,491	87,437,366	60,206,664	57,972,234	145,129,155	145,409,600	-0.2%
Deferred outflows of resources	17,061,849	23,248,917	1,736,511	2,210,810	18,798,360	25,459,727	-26.2%
Liabilities:							
Current liabilities	4,676,094	3,981,193	3,073,655	2,016,583	7,749,749	5,997,776	29.2%
Long-Term liabilities	74,069,027	74,400,891	33,381,202	34,444,412	107,450,229	108,845,303	-1.3%
Total liabilities	78,745,121	78,382,084	36,454,857	36,460,995	115,199,978	114,843,079	0.3%
Deferred inflows of resources	11,786,247	15,431,110	1,277,852	1,673,985	13,064,099	17,105,095	-23.6%
Net position:							
Net Investment in capital assets	30,299,344	30,973,001	11,802,776	7,975,522	42,102,120	38,948,523	8.1%
Restricted	29,261,144	29,675,938	-	-	29,261,144	29,675,938	-1.4%
Unrestricted (deficit)	(48,107,516)	(43,775,850)	12,407,690	14,072,542	(35,699,826)	(29,703,308)	20.2%
Total net position	\$11,452,972	\$16,873,089	\$24,210,466	\$22,048,064	\$35,663,438	\$38,921,153	-8.4%

Analysis of Net Position

Net position may serve as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$35.7 million at the close of FY 2024/25. The City's combined net position decreased 8.4%, or \$3.2 million from the prior fiscal year. This is primarily a result of changes in governmental activities due to a decrease in current assets and changes in business activities due to an increase in current liabilities.

- *Net investment in capital assets* (e.g. infrastructure, land, buildings, improvements other than buildings, construction in progress, and equipment), less any related debt used to acquire assets still outstanding, is \$42.1 million (118% of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities. The City's net investment in capital assets increased by \$3.1 million (Note 6).

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

- *Restricted net position* of \$29.3 million (82.1% of the total) represents resources that are subject to external restrictions on how they may be used. Of this amount, \$8.3 million represents housing net position with \$0.4 million representing properties held for housing resale or redevelopment (Note 5).
- *Unrestricted net position*, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by \$6 million to negative \$35.7 million. The deficit is primarily attributable to the pension and other post-employment benefits obligations. Governmental activities unrestricted net position was a negative \$48.1 million and business-type activities net position was a positive \$12.4 million.

Analysis of Activities

The following table reflects the summary of changes in net position for governmental and business-type activities for the years ended June 30, 2025 and June 30, 2024.

	Governmental Activities		Business-type Activities		Totals		Total % Change
	2025	2024	2025	2024	2025	2024	
Revenues:							
Program revenues:							
Charges for services	\$5,378,548	\$5,068,161	\$8,823,158	\$8,114,292	\$14,201,706	\$13,182,453	7.7%
Operating grants and contributions	3,132,891	2,939,589	-	-	3,099,430	2,939,589	5.4%
Capital grants and contributions	461,263	500,258	-	-	461,263	500,258	-7.8%
Total Program Revenue	8,972,702	8,508,008	8,823,158	8,114,292	17,762,399	16,622,300	6.9%
General revenues:							
Taxes:							
Property tax	6,130,151	5,910,711	-	-	6,130,151	5,910,711	3.7%
Sales tax	10,065,998	9,430,219	-	-	10,065,998	9,430,219	6.7%
Franchise tax	910,745	901,209	-	-	910,745	901,209	1.1%
Utility tax	2,657,157	2,445,715	-	-	2,657,157	2,445,715	8.6%
Other taxes	915,021	911,622	-	-	915,021	911,622	0.4%
Motor Vehicle in Lieu	2,405,165	2,319,153	-	-	2,405,165	2,319,153	3.7%
Investment earnings (loss)	2,256,092	2,449,243	454,276	483,402	2,710,368	2,932,645	-7.6%
Miscellaneous	102,057	124,132	-	-	102,057	124,132	-17.8%
Total General Revenues	25,442,386	24,492,004	454,276	483,402	25,896,662	24,975,406	3.7%
Total Revenues	34,415,088	33,000,012	9,277,434	8,597,694	43,659,061	41,597,706	5.0%
Expenses:							
General government	6,320,536	5,439,951	-	-	6,320,536	5,439,951	16.2%
Public safety	21,039,278	20,226,459	-	-	21,039,278	20,226,459	4.0%
Public services	5,824,745	5,734,403	-	-	5,824,745	5,734,403	1.6%
Recreation	2,662,821	2,275,235	-	-	2,662,821	2,275,235	17.0%
Community development	2,994,841	2,968,511	-	-	2,994,841	2,968,511	0.9%
Interest and fiscal charges	451,069	424,186	-	-	451,069	424,186	6.3%
Wastewater utility	-	-	7,051,724	6,812,685	7,051,724	6,812,685	3.5%
Total expenses	39,293,290	37,068,745	7,051,724	6,812,685	46,345,014	43,881,430	5.6%
Revenues over (under) expenses	(4,878,202)	(4,068,733)	2,225,710	1,785,009	(2,652,492)	(2,283,724)	16.1%
Changes in Net Position	(4,878,202)	(4,068,733)	2,225,710	1,785,009	(2,652,492)	(2,283,724)	16.1%
Net position, beginning of year, restated	16,873,089	20,941,822	22,048,064	20,263,055	38,921,153	41,204,877	-5.5%
Change in accounting principle (GASB 101)	(541,915)		(63,308)		(605,223)		0.0%
Beginning of the year, as restated (Note 19)	16,331,174		21,984,756	20,263,055	38,315,930	41,204,877	-7.0%
Net position, end of year	\$11,452,972	\$16,873,089	\$24,210,466	\$22,048,064	\$35,663,438	\$38,921,153	-8.4%

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Governmental Activities

Governmental activities encompass the core public services that the City provides to its residents and are primarily funded through taxes, intergovernmental revenues, and other sources. These activities reflect the essential functions that support community well-being, including public safety, infrastructure, and community services.

Governmental activities net position decreased by \$5.4 million. Key elements of the change in net position are as follows:

- Program revenues, mainly charges for services and grants and contributions, reflected an increase of \$0.5 million, or 4.7% more than FY 2023/24. The increase was primarily attributable to receipts of grant monies for community development and capital projects.
- General revenues, mainly property tax and investment earnings, reflected an increase of \$0.95 million, or 3.9% combined over FY 2023/24. The increase was mostly due to additional sales tax revenue received following voter approval of the Measure I—an additional half-cent local sales tax, which went into effect on April 1, 2025.
- Expenses increased by \$2.2 million, or 5.6% over the prior fiscal year. The most significant changes were in general government, public safety, and recreation.

Business-type Activities

The City's sole business-type activity is the operation of its Water Pollution Control Plant (WPCP) Wastewater Utility, which is accounted for in a proprietary-type enterprise fund. The WPCP accounts for the collection, treatment and disposal of wastewater generated by city residents and businesses. The operation and maintenance of the City's Wastewater Utility should be a self-supporting enterprise that is paid for by monthly service charges to all residential and commercial users. The City's business-type activities provide the same type of information as the proprietary fund financial statements, but are presented in a more summarized format.

Business-type activities net position increased by \$2.2 million. Key elements of the change in net position are as follows:

- Program revenues increased \$0.7 million, or 8.6% over the prior fiscal year due to an increase in wastewater rates.
- Expenses increased \$0.3 million, or 4.4% over the prior fiscal year. This was due to the normal increase in operating expenses. Depreciation expense is considered a cost of service in proprietary funds, which accounted for \$1.0 million in FY 2024/25 (Note 6).

In addition, the City of Pinole is financing its share of the Water Pollution Control Plant Upgrade project through a low interest loan from the State Revolving Loan Fund. The City was approved for a loan in the amount of \$26.7 million by the State Water Resources Control Board. In order to repay the loan, the City Council approved Resolution Number 2013-47 with scheduled rate increases over a five-year period, beginning July 1, 2013. The rate plan was amended July 17, 2018 by Resolution Number 2018-66. The 2025 annual rate for single family residents was \$954.13 and \$720.42 for multi-family residents.

Fund Financial Analysis

The City uses ***fund accounting*** to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Governmental Funds

The following table presents the Governmental Funds' balances as of June 30, 2025:

	Governmental Fund Balances				
	General Fund	Housing Programs Special Revenue Fund	Building & Planning Fund	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable	\$ 79,756	\$ -	\$ -	\$ 320,552	\$ 400,308
Restricted	12,559,159	8,251,073	-	12,507,466	33,317,698
Committed	10,236,705	-	-	-	10,236,705
Assigned	-	-	-	4,455,979	4,455,979
Unassigned	5,619,093	-	(2,545,964)	(391,272)	2,681,857
Total Fund Balances	\$ 28,494,713	\$ 8,251,073	\$ (2,226,680)	\$ 16,892,725	\$ 51,092,547

The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2010-11 (Note 12). This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

At June 30, 2025, the City's governmental funds reported combined fund balances of \$51.1 million, which is an decrease of \$2.7 million (5.3%) when compared to the prior fiscal year, FY 2023/24. This largely results from a decrease in the unassigned fund balance due to the funding of capital projects, special one-time initiatives, and increased General Fund operating subsidies the Recreation and PCTV funds.

Nonspendable fund balances constitute \$400,308 (0.8%) of the combined governmental fund balance and cannot be spent either because the underlying resources are not in a spendable form or because the government is legally or contractually required to maintain the resources intact.

Restricted fund balances constitute \$33.3 million, (65%) of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

Committed fund balances constitute \$10.2 million (20%) of the combined governmental fund balance and are constrained by City Council for reserves for economic uncertainty as well as certain capital projects.

Assigned fund balances constitute \$4.5 million (9%) of the combined governmental fund balance and are intended to be used for specific purposes and have been identified as such by the City Council or the City Manager who has been delegated authority by the City Council to assign amounts.

Unassigned fund balances constitute \$2.7 million (5%) of the combined governmental fund balance and consist of amounts that have not been classified as *nonspendable*, *restricted*, or *assigned*.

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Analysis of Governmental Funds

General Fund

The designated major Governmental funds in FY 2024/25 are the General Fund, Housing Fund, and the Building & Planning Fund. A *major fund* is defined as those funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

The **General Fund** is the primary operating fund of the City. The General Fund is used to report the financial results of the daily operations of the City. The major revenue sources are Property Tax, Sales Tax, and Utility Users' Tax. The major expenditures are salaries and administrative expenses.

The fund balance for the General Fund decreased by \$3.8 million, or -11.8% compared to FY 2023/24, as a net result of expenditures in excess of revenues, resulting from an increase in the use of unassigned fund balance capital projects, special initiatives, and additional operating expenditures and subsidies to the recreation and PCTV funds.

General Fund revenue increased by \$1 million, or 3.8% compared to FY 2023/24. The largest component of this increase was higher taxes and assessments revenues due to the additional sales tax revenue from Measure I, combined with an increase in interest income resulting from higher returns on investments.

General Fund expenditures increased \$0.5 million, or 1.7% compared to FY 2023/24. This is increase in mainly due to increases in general government, public safety, and capital outlay expenses.

The following charts provide a breakdown of General Fund revenues and expenses, highlighting the primary sources and uses of funds.

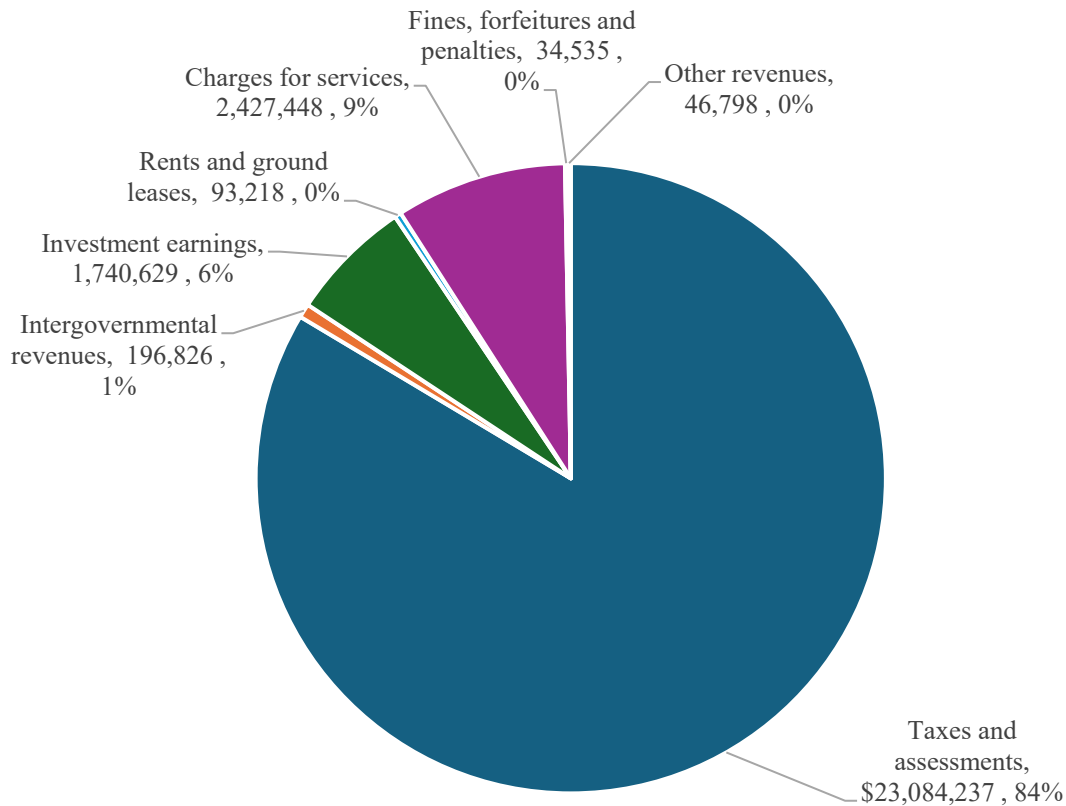
City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Revenues

The following table and chart highlight the General Fund revenue by source for the year ended June 30, 2025.

Revenue by Source

<u>Source</u>	<u>Amount</u>	<u>% of Total</u>
Taxes and assessments	\$23,084,237	83.6%
Intergovernmental revenues	196,826	0.7%
Investment earnings	1,740,629	6.3%
Rents and ground leases	93,218	0.3%
Charges for services	2,427,448	8.8%
Fines, forfeitures and penalties	34,535	0.1%
Other revenues	46,798	0.2%
Total	\$27,623,691	100.0%



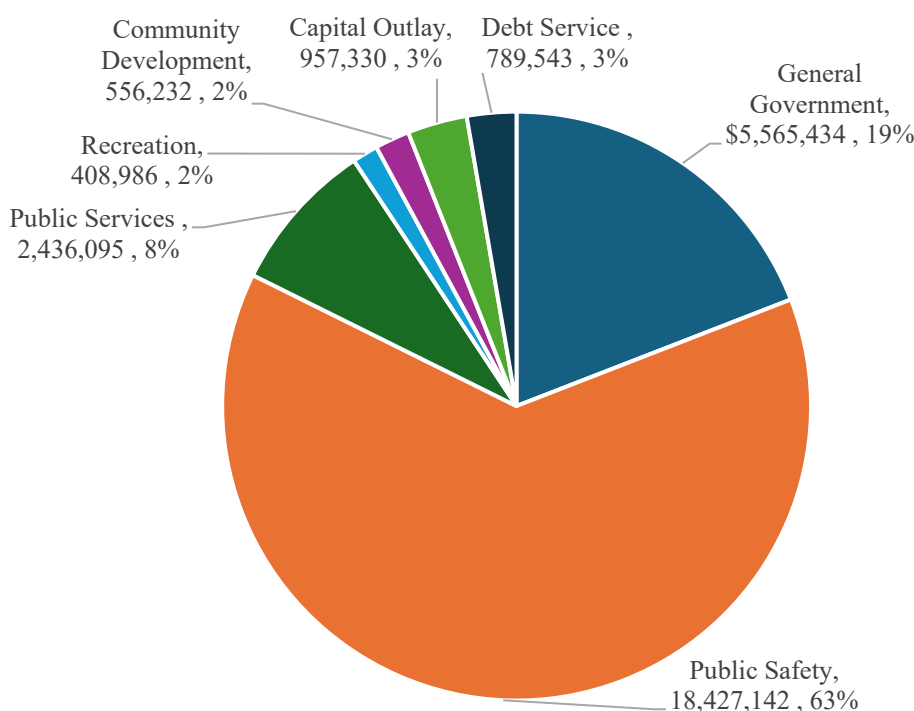
City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Expenditures

The following table and chart highlight the General Fund expenditures by function for the year ended June 30, 2025.

Expenditures By Function

<u>Function</u>	<u>Amount</u>	<u>% of Total</u>
General Government	\$5,565,434	19.1%
Public Safety	18,427,142	63.2%
Public Services	2,436,095	8.4%
Recreation	408,986	1.4%
Community Development	556,232	1.9%
Capital Outlay	957,330	3.3%
Debt Service	789,543	2.7%
Total	\$29,140,762	100.0%



Other Governmental Funds

These funds, which include the Housing Fund, Planning and Building Fund, and other Non-Major Governmental Funds are presented individually in the Fund Financial Statements.

Other governmental funds revenue increased by \$0.2 million, or 3.1% compared to FY 2023/24. This is largely due to normal increases in operating revenues, such as fees, permits, and interest income.

Other governmental funds expenditures increased by \$0.2 million, or 2.3% compared to FY 2023/24. This is largely due to normal increases in operating expenses, such as salaries, benefits, and other expenses.

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Proprietary Fund

Wastewater Utility

The Wastewater Utility Funds net position increased by \$2.2 million, or 10% over the prior fiscal year to a total of \$24.2 million. Program revenues were \$8.8 million, as revenues increased by \$0.7 million and expenses increased by \$0.3 million.

The Fund's Net Position is comprised of \$11.8 million net investment in capital assets and \$12.4 million in unrestricted net assets at June 30, 2025. The increased rates for the sewage collection and treatment fees have continued to generate positive cash flows to the City's Business-type Activities, stabilizing the fiscal condition of this enterprise activity.

Fiduciary Fund

The Successor Agency to the Pinole Redevelopment Agency Private Purpose Trust Fund

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1x-26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. In accordance with the timeline set forth in the bill, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entity as of February 1, 2012.

The Successor Agency is a separate legal entity which was formed to hold the assets of the former Redevelopment Agency pursuant to City Council action. The activity of the Successor Agency is overseen by an Oversight Board comprised of individuals appointed by various government agencies (Note 15). Dissolution of the Successor Agency is planned to be completed in FY 2025/26 as all outstanding debt from former redevelopment obligations have been paid and retired, and all former redevelopment properties have been either sold or transferred to the City.

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets:

As of June 30, 2025, the City's net investment in capital assets for its governmental and business-type activities was \$69.8 million, up \$2.9 million from the prior year. This investment in capital assets includes: infrastructure, land, construction-in-progress, buildings, and improvements, equipment, vehicles, streets and roads, storm drains, bridges, parks, and sewer lines. Infrastructure assets are items that are normally immovable and of value to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items (Note 6).

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

Capital Assets at Year-end			
	2025	2024	Net Change
Governmental Activities			
Land and Construction-in-progress	\$8,047,433	\$9,164,522	(\$1,117,089)
Buildings and improvements	16,638,872	16,156,929	481,943
Machinery, equipment and vehicles	9,445,593	9,323,223	122,370
Infrastructure	62,465,306	61,222,765	1,242,541
Leased assets	81,627	103,931	(22,304)
Subscription assets	1,214,101	1,155,303	58,798
Less accumulated depreciation and amortization	(67,362,623)	(65,893,084)	(1,469,539)
Totals	30,530,309	31,233,589	(703,280)
Business-type activities			
Construction in Progress	4,206,577	367,638	3,838,939
Buildings and improvements	40,946,105	40,857,072	89,033
Equipment	1,141,677	1,229,931	(88,254)
Vehicles	789,200	789,200	0
Infrastructure	7,474,337	7,474,337	0
Less accumulated depreciation	(15,288,725)	(14,374,022)	(914,703)
Totals	\$39,269,171	\$36,344,156	\$2,925,015

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

Debt Administration:

Each of the City's debt issues is discussed in detail in Note 7 to the financial statements. At June 30, 2025, the City's total remaining long-term debt related to governmental and business-type activities is as follows:

Outstanding Debt			
	Balance	Balance	
Governmental Activity Debt	June 30, 2025	June 30, 2024	Net Change
2006 Pension Obligation bonds	\$1,886,188	\$2,089,509	(203,321)
Leases payable	77,290	30,976	46,314
Subscription payable	135,095	199,399	(64,304)
Claims Payable	30,022	21,652	8,370
Compensated absences	1,356,987	1,387,723	(30,736)
Total Governmental Activity Debt	3,485,582	3,729,259	(243,677)
Business-Type Activity Debt			
2016 Wastewater Revenue Refunding Bond	5,271,000	5,633,000	(362,000)
2016 Clean Water State Revolving Fund	22,032,956	22,735,634	(702,678)
Compensated absences	283,873	278,478	5,395
Total Business-Type Activity Debt	27,587,829	28,647,112	(1,059,283)
Total Debt Outstanding	\$31,073,411	\$32,376,371	(\$1,302,960)

ECONOMIC OUTLOOK AND MAJOR INITIATIVES

The economy of the City and its major initiatives for the coming year are discussed in the accompanying Transmittal Letter (page i-v). The most significant financial initiatives facing the City are as follows:

- **Fiscal Year (FY) 2025/26 Operating and Capital Budget.** The budget adopted by the City Council on June 17, 2025. It is a status quo budget, meaning that ongoing revenues are mostly sufficient to cover ongoing expenditures, and that service levels and revenue mechanisms in the budget are essentially the same as those in the FY 2024/25 budget. The budget does include the use of a portion of the City's unassigned fund balance to fund several capital projects and special one-time initiatives.
- **City's Strategic Plan 2020-2025.** The plan identifies 22 individual strategies (special projects) for staff to complete over a five-year timeframe to position the City to achieve the vision, mission, and goals. Most initiatives have been completed, and the remaining strategies are expected to be finalized in the FY 2025/26. In addition, the City intends to develop a new strategic plan to guide the next five years.
- **Long-Term Financial Planning.** As a part of its financial planning efforts, the City maintains a 20-year financial forecast that is updated annually to reflect changes in revenues, expenditures, and other economic factors. This forecast serves as a tool for identifying potential future opportunities and challenges. By proactively analyzing these trends, the City is able to align resources with community priorities and address issues through the annual budget process and capital improvement planning.

City of Pinole
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2025

- **Capital Facility and Public Infrastructure Projects.** The City maintains a Capital Improvement Plan (CIP), which is a multi-year planning tool that identifies and prioritizes capital needs over the upcoming five-year horizon. The CIP aligns capital projects with appropriate funding sources, schedules, and implementation strategies. The plan serves as a working blueprint for building and sustaining publicly funded physical infrastructure. In coordination with the CIP, the City has also developed master plans that address high-priority areas, such as roads, transportation, and stormwater.
- **Economic Development Strategies.** The City will continue to support major development and reinvestment activities throughout Pinole. Staff will perform inspections and process permits for Appian Village and continue working with the developer of the former Kmart site to either implement the approved Pinole Vista entitlements or re-envision the site for new economic activity. The City will also advance permitting for the proposed 120,000-square-foot Pinole Shores II industrial project and collaborate with the new owner of Pinole Square/Appian 80 to expedite revitalization efforts, including through potential Brownfields assistance. Additionally, the City plans to advance the potential disposition of two key City-owned downtown sites to catalyze reinvestment and further the Economic Development Strategy's goal of sustained downtown activation.
- **Successor Agency Dissolution.** The formal dissolution is planned to occur in FY 2025/26 as the former Redevelopment Agency's outstanding debt service has been paid off and all remaining properties have been either sold or transferred to the City. After dissolution, property tax revenue will flow directly to the General Fund rather than through the Redevelopment Property Tax Trust Fund (RPTTF).
- **Sales Tax Measure.** During the November 2024 municipal election, Pinole voters passed Measure I, an additional half-cent local sales tax. It is projected to generate approximately \$2.6 million annually and the additional funds will go into the City's General Fund primarily to maintain critical services.

REQUESTS FOR INFORMATION

This financial report is designed to provide our residential and business community, taxpayers, customers, investors, and creditors with a general overview of the City's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to the City of Pinole, Finance Department, 2131 Pear Street, Pinole, CA 94564. Alternatively, you may send your inquiries via email to Finance@ci.pinole.ca.us.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Pinole
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 31,973,701	\$ 17,918,844	\$ 49,892,545
Cash and investments with fiscal agents	12,442,949	1,123,342	13,566,291
Accounts receivable, net	4,204,774	816	4,205,590
Notes receivable, net	4,380,001	-	4,380,001
Interest receivable	151,798	138,039	289,837
Lease receivable, current	99,203	-	99,203
Due from other government	-	516,024	516,024
Prepaid items	382,081	1,230,534	1,612,615
Inventory	18,227	9,894	28,121
Land held for resale	355,062	-	355,062
Total current assets	54,007,796	20,937,493	74,945,289
Noncurrent assets:			
Lease receivable - noncurrent	384,386	-	384,386
Capital assets:			
Land and construction in progress	8,047,433	4,206,577	12,254,010
Capital assets being depreciated/amortized, net	22,482,876	35,062,594	57,545,470
Total capital assets	30,530,309	39,269,171	69,799,480
Total noncurrent assets	30,914,695	39,269,171	70,183,866
Total assets	84,922,491	60,206,664	145,129,155
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	12,100,243	1,185,222	13,285,465
OPEB related amounts	4,961,606	551,289	5,512,895
Total deferred outflows of resources	17,061,849	1,736,511	18,798,360

City of Pinole
Statement of Net Position (Continued)
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	1,659,375	1,140,604	2,799,979
Accrued payroll	663,117	59,594	722,711
Interest payable	44,875	425,873	470,748
Unearned revenue	80,682	-	80,682
Retention payable	18,580	162,439	181,019
Deposits payable	262,385	-	262,385
Compensated absences, due within one year	140,688	33,732	174,420
Claims payable, due within one year	30,022	-	30,022
Long-term debt, due within one year	293,274	1,086,624	1,379,898
Total OPEB liability, due within one year	1,483,096	164,789	1,647,885
Total current liabilities	4,676,094	3,073,655	7,749,749
Noncurrent liabilities:			
Compensated absences, due in more than one year	1,216,299	250,141	1,466,440
Long-term liabilities, due in more than one year	1,805,299	26,217,332	28,022,631
Net pension liability	41,151,793	3,591,992	44,743,785
Total OPEB liability, due in more than one year	29,895,636	3,321,737	33,217,373
Total noncurrent liabilities	74,069,027	33,381,202	107,450,229
Total liabilities	78,745,121	36,454,857	115,199,978
DEFERRED INFLOWS OF RESOURCES			
Lease related	444,567	-	444,567
Pension related amounts	1,352,611	167,955	1,520,566
OPEB related amounts	9,989,069	1,109,897	11,098,966
Total deferred inflows of resources	11,786,247	1,277,852	13,064,099
NET POSITION			
Net investment in capital assets	30,299,344	11,802,776	42,102,120
Restricted:			
Community development	7,635	-	7,635
Public works	7,762,871	-	7,762,871
Public safety	796,616	-	796,616
Housing activities	8,251,073	-	8,251,073
Pension	12,442,949	-	12,442,949
Total restricted	29,261,144	-	29,261,144
Unrestricted (deficit)	(48,107,516)	12,407,690	(35,699,826)
Total net position	<u>\$ 11,452,972</u>	<u>\$ 24,210,466</u>	<u>\$ 35,663,438</u>

City of Pinole
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 6,331,078	\$ 767,359	\$ 19,301	\$ 155,294	\$ 941,954
Public safety	21,039,278	2,017,514	596,097	-	2,613,611
Public services	5,824,745	479,192	1,880,021	305,969	2,665,182
Recreation	2,662,821	799,884	41,722	-	841,606
Community development	2,994,841	1,314,599	595,750	-	1,910,349
Interest expense	440,527	-	-	-	-
Total Governmental Activities	39,293,290	5,378,548	3,132,891	461,263	8,972,702
Business-type activities:					
Wastewater utility	7,051,724	8,823,158	-	-	8,823,158
Total Business-Type Activities	7,051,724	8,823,158	-	-	8,823,158
Total primary government	\$ 46,345,014	\$ 14,201,706	\$ 3,132,891	\$ 461,263	\$ 17,795,860

City of Pinole
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (5,389,124)	\$ -	\$ (5,389,124)
Public safety	(18,425,667)	-	(18,425,667)
Public services	(3,159,563)	-	(3,159,563)
Recreation	(1,821,215)	-	(1,821,215)
Community development	(1,084,492)	-	(1,084,492)
Interest expense	(440,527)	-	(440,527)
Total Governmental Activities	(30,320,588)	-	(30,320,588)
Business-type activities:			
Wastewater utility	-	1,771,434	1,771,434
Total Business-Type Activities	-	1,771,434	1,771,434
Total primary government	(30,320,588)	1,771,434	(28,549,154)
General Revenues:			
Taxes:			
Property taxes	6,130,151	-	6,130,151
Sales taxes	10,065,998	-	10,065,998
Franchise taxes	910,745	-	910,745
Utility taxes	2,657,157	-	2,657,157
Other taxes	915,021	-	915,021
Total taxes	20,679,072	-	20,679,072
Unrestricted motor vehicle in lieu taxes	2,405,165	-	2,405,165
Investment earnings revenue	2,256,092	454,276	2,710,368
Miscellaneous	102,057	-	102,057
Total General Revenues	25,442,386	454,276	25,896,662
Change in Net Position	(4,878,202)	2,225,710	(2,652,492)
Net Position:			
Beginning of year, as previously reported	16,873,089	22,048,064	38,921,153
Change in accounting principle (GASB 101)	(541,915)	(63,308)	(605,223)
Beginning of year, as restated (Note 19)	16,331,174	21,984,756	38,315,930
End of year	<u>\$ 11,452,972</u>	<u>\$ 24,210,466</u>	<u>\$ 35,663,438</u>

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FUND FINANCIAL STATEMENTS

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Governmental Fund Financial Statements

General Fund is used for all the general revenues of the City not specifically levied or collected for other City funds, and the related expenditures. The major revenue sources for this fund are property taxes, sales taxes, utility users tax, franchise fees, business licenses, unrestricted revenues from the State, fines and forfeitures and interest income. Expenditures are made for public safety, recreation, and the other services described above.

Housing Programs Fund receives tax increment funds through Redevelopment Property Tax Trust Funds, representing 20% set-aside for housing activities. Funds are expended for approved housing activities.

Building and Planning Fund - This fund is used to account for fees collected for building permits and plan check fees. Fees collected are used to cover the cost involved in plan checks and inspections performed.

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City of Pinole
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds				
	General	Housing	Building	Non-major	Total
	Fund	Special Revenue	& Planning	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
ASSETS					
Cash and investments	\$ 11,547,020	\$ 3,501,281	\$ 50	\$ 16,925,350	\$ 31,973,701
Accounts receivable	3,491,589	-	302,291	410,894	4,204,774
Notes receivable	-	4,380,001	-	-	4,380,001
Lease receivable	472,203	-	-	11,386	483,589
Interest receivable	30,616	25,509	6,632	89,041	151,798
Due from other funds	5,675,590	-	-	-	5,675,590
Prepaid items and supplies	61,529	-	-	320,552	382,081
Inventory	18,227	-	-	-	18,227
Land held for redevelopment	-	355,062	-	-	355,062
Cash and investments with fiscal agents	12,442,949	-	-	-	12,442,949
Total assets	\$ 33,739,723	\$ 8,261,853	\$ 308,973	\$ 17,757,223	\$ 60,067,772
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,262,697	\$ 10,780	\$ 152,647	\$ 251,831	\$ 1,677,955
Accrued liabilities	602,097	-	26,866	34,154	663,117
Unearned revenue	80,624	-	-	58	80,682
Deposits payable	96,920	-	79,820	85,645	262,385
Due to other funds	2,612,328	-	2,595,604	467,658	5,675,590
Total liabilities	4,654,666	10,780	2,854,937	839,346	8,359,729
DEFERRED INFLOWS OF RESOURCES					
Leases related	444,567	-	-	-	444,567
Unavailable revenue	145,777	-	-	25,152	170,929
Total deferred inflows of resources	590,344	-	-	25,152	615,496
Fund Balances (Deficit):					
Nonspendable	79,756	-	-	320,552	400,308
Restricted	12,559,159	8,251,073	-	12,507,466	33,317,698
Committed	10,236,705	-	-	-	10,236,705
Assigned	-	-	-	4,455,979	4,455,979
Unassigned (deficit)	5,619,093	-	(2,545,964)	(391,272)	2,681,857
Total fund balances (deficit)	28,494,713	8,251,073	(2,545,964)	16,892,725	51,092,547
Total liabilities, deferred inflows of resources, and fund balances	\$ 33,739,723	\$ 8,261,853	\$ 308,973	\$ 17,757,223	\$ 60,067,772

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

Total Fund Balances - Total Governmental Funds	\$ 51,092,547
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Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.

Nondepreciable	\$ 8,047,433	
Depreciable/amortizable	22,482,876	
Total capital assets		30,530,309

Long-term liabilities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.

Amount reported in Government-Wide Statement of Net Position

Compensated absences - due within one year	\$ (140,688)	
Compensated absences - due in more than one year	(1,216,299)	
Claim payable - due within one year	(30,022)	
Long-term debt - due within one year	(293,274)	
Long-term debt - due in more than one year	(1,805,299)	
Total long-term liabilities		(3,485,582)

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.	(44,875)
--	----------

Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned.	170,929
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Aggregate net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.

Net pension liability	\$ (41,151,793)	
Total OPEB liability	(31,378,732)	
Total OPEB and Pension		(72,530,525)

Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.

Amount reported in Government-Wide Statement of Net Position

Deferred outflows of resources related to pensions	\$ 12,100,243	
Deferred outflows of resources related to OPEB	4,961,606	
Total deferred outflows of resources		17,061,849

Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.

Amount reported in Government-Wide Statement of Net Position

Deferred inflows of resources related to pensions	\$ (1,352,611)	
Deferred inflows of resources related to OPEB	(9,989,069)	
Total deferred inflows of resources		(11,341,680)

Net Position of Governmental Activities	\$ 11,452,972
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City of Pinole
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds				
	General Fund	Housing Programs Special Revenue Fund	Building & Planning Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes and assessments	\$ 23,084,237	\$ -	\$ 488,477	\$ 539,369	\$ 24,112,083
Intergovernmental revenues	196,826	-	391,360	2,096,704	2,684,890
Investment earnings	1,740,629	176,892	500	596,056	2,514,077
Rents and ground leases	93,218	-	-	56,624	149,842
Charges for services	2,427,448	-	769,169	729,933	3,926,550
Fines, forfeitures and penalties	34,535	-	41,652	19,470	95,657
Other revenues	46,798	-	-	714,262	761,060
Total revenues	27,623,691	176,892	1,691,158	4,752,418	34,244,159
EXPENDITURES:					
Current:					
General government	5,565,434	-	-	521,705	6,087,139
Public safety	18,427,142	-	-	612,976	19,040,118
Public services	2,436,095	-	-	1,681,179	4,117,274
Recreation	408,986	-	-	2,141,278	2,550,264
Community development	556,232	193,590	2,010,442	398	2,760,662
Capital outlay	957,330	-	-	789,806	1,747,136
Debt service:					
Principal	348,148	-	-	-	348,148
Interest and fiscal charges	441,395	-	-	-	441,395
Total expenditures	29,140,762	193,590	2,010,442	5,747,342	37,092,136
Excess (deficiency) of revenues over expenditures	(1,517,071)	(16,698)	(319,284)	(994,924)	(2,847,977)
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of asset	1,327	-	-	-	1,327
Issuance of leases and subscription liabilities	126,837	-	-	-	126,837
Transfers in	3,928,488	-	-	2,455,258	6,383,746
Transfers out	(6,383,746)	-	-	-	(6,383,746)
Total other financing sources (uses)	(2,327,094)	-	-	2,455,258	128,164
NET CHANGE IN FUND BALANCES	(3,844,165)	(16,698)	(319,284)	1,460,334	(2,719,813)
FUND BALANCES (DEFICIT):					
Beginning of year	32,338,878	8,267,771	(2,226,680)	15,432,391	53,812,360
End of year	<u>\$ 28,494,713</u>	<u>\$ 8,251,073</u>	<u>\$ (2,545,964)</u>	<u>\$ 16,892,725</u>	<u>\$ 51,092,547</u>

City of Pinole
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds \$ (2,719,813)

Amounts reported for Governmental Activities in the Statement of Net Position were different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds:		
Capital outlay	\$ 1,213,107	
Depreciation/amortization expense	(1,916,387)	
Total capital assets		(703,280)

Interest accrued on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year.	868
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Revenue reported as unavailable revenue in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the Government-Wide Financial Statements and, therefore, the revenue is recognized when eligibility requirements are met and earned.	170,929
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Debt proceeds are reported as financing sources in governmental funds and thus contribute to the liabilities and not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position.		
Proceeds from issuance of debt	\$ (126,837)	
Repayment of debt and lease principal	348,148	
Total		221,311

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:		
Accrued compensated absences	\$ 30,736	
Claims payable	(8,370)	
Net difference between pension expense and contributions subsequent to the measurement date	(2,814,899)	
Net difference between OPEB expense and contributions subsequent to the measurement date	944,316	
Total		(1,848,217)

Change in Net Position of Governmental Activities	<u><u>\$ (4,878,202)</u></u>
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Proprietary Funds Financial Statements

Wastewater Utility Fund - this fund accounts for wastewater utility services provided by the City and it is the City's intent that the cost of providing these services be financed primarily through user charges.

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City of Pinole
Statement of Net Position
Proprietary Fund
June 30, 2025

	Business-type Activities Wastewater Utility Enterprise Fund
ASSETS	
Current assets	
Cash and investments	\$ 17,918,844
Restricted cash and investment	1,123,342
Interest receivable	138,039
Other receivable	816
Due from other governments	516,024
Prepaid items	1,230,534
Inventory	9,894
Total current assets	<u>20,937,493</u>
Noncurrent assets	
Capital assets not being depreciated	4,206,577
Capital assets being depreciated, net	35,062,594
Total capital assets	<u>39,269,171</u>
Total noncurrent assets	<u>39,269,171</u>
Total assets	<u><u>60,206,664</u></u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow pension-related items	1,185,222
Deferred outflow OPEB-related items	551,289
Total deferred outflows of resources	<u><u>1,736,511</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	1,140,604
Accrued liabilities	59,594
Retention payable	162,439
Interest payable	425,873
Compensated absences - current	33,732
Long-term debt, due within one year	1,086,624
Total OPEB liability, due within one year	164,789
Total current liabilities	<u>3,073,655</u>
Noncurrent liabilities	
Compensated absences - noncurrent	250,141
Long-term debt, due in more than one year	26,217,332
Net pension liability	3,591,992
Total OPEB liability, due in more than one year	3,321,737
Total noncurrent liabilities	<u>33,381,202</u>
Total liabilities	<u><u>36,454,857</u></u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow pension-related items	167,955
Deferred inflow OPEB-related items	1,109,897
Total deferred inflows of resources	<u><u>1,277,852</u></u>
NET POSITION	
Net investment in capital assets	11,802,776
Unrestricted	12,407,690
Total net position	<u><u>\$ 24,210,466</u></u>

City of Pinole
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2025

	Business-type Activities Wastewater Utility Enterprise Fund
OPERATING REVENUES:	
Charges for services	\$ 8,806,617
Other revenue	16,541
Total operating revenues	<u>8,823,158</u>
OPERATING EXPENSES:	
Sewer treatment plant	4,929,897
Sewer maintenance	1,118,870
Depreciation	1,002,957
Total operating expenses	<u>7,051,724</u>
OPERATING INCOME (LOSS)	<u>1,771,434</u>
NONOPERATING REVENUES (EXPENSES):	
Interest revenue	986,146
Interest expense	(531,870)
Total nonoperating revenues (expenses)	<u>454,276</u>
Changes in net position	2,225,710
NET POSITION:	
Beginning of year, as previously reported	22,048,064
Change in accounting principle (GASB 101)	(63,308)
Beginning of year, as restated (Note 19)	<u>21,984,756</u>
End of year	<u>\$ 24,210,466</u>

City of Pinole
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities Wastewater Utility Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 8,571,453
Cash paid to suppliers	(2,509,699)
Cash paid to employees	(2,751,075)
Net cash provided by operating activities	3,310,679
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(3,765,533)
Principal payment of long-term debt	(1,064,678)
Interest paid on debt	(547,340)
Net cash (used in) capital and related financing activities	(5,377,551)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	1,018,377
Net cash provided by investing activities	1,018,377
Net change in cash and cash equivalents	(1,048,495)
CASH AND CASH EQUIVALENTS:	
Beginning of year	20,090,681
End of year	<u><u>\$ 19,042,186</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 1,771,434
Adjustments to reconcile operating to net cash provided by operating activities:	
Depreciation	1,002,957
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:	
Other receivables	(1)
Due from other governments	(251,704)
Prepaid items	(141,350)
Inventory	2,914
Deferred outflow pension-related items	292,033
Deferred outflow OPEB-related items	182,266
Accounts payable	898,694
Compensated absences	5,396
Net pension liability	(44,717)
Total OPEB liability	(11,110)
Deferred inflows - pension related	(120,053)
Deferred inflows - OPEB related	(276,080)
Total adjustments	1,539,245
Net cash provided by operating activities	<u><u>\$ 3,310,679</u></u>

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Pinole
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	Private-Purpose Trust Fund	Total Custodial Funds
ASSETS		
Cash and cash equivalents	\$ 1,814,140	\$ 203,479
Interest receivable	13,136	215
Notes receivable, net of allowance	10,054	-
Easement	272,040	-
Land held for redevelopment	2,469,715	-
Capital assets not being depreciated	2,429,793	-
Capital assets being depreciated, net	6,707,506	-
Total assets	13,716,384	203,694
LIABILITIES		
Accounts payable	7,405	14,097
Deposits payable	56,238	139,721
Unearned revenue	18	26,297
Total liabilities	63,661	180,115
NET POSITION		
Restricted for:		
Held in trust for dissolution of RDA	13,652,723	-
Individuals, organizations, and other governments	-	23,579
Total net position	\$ 13,652,723	\$ 23,579

City of Pinole
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Private-Purpose Trust Fund	Total Custodial Funds
ADDITIONS:		
Investment income	\$ 90,228	\$ 1,480
Total additions	<u>90,228</u>	<u>1,480</u>
DEDUCTIONS:		
Operating costs	19,662	-
Depreciation	<u>255,670</u>	<u>-</u>
Total deductions	<u>275,332</u>	<u>-</u>
Change in net position	(185,104)	1,480
NET POSITION:		
Beginning of year	<u>13,837,827</u>	<u>22,099</u>
End of period	<u><u>\$ 13,652,723</u></u>	<u><u>\$ 23,579</u></u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Pinole
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For the Year Ended June 30, 2025

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City of Pinole
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The City of Pinole, California (the “City”) was incorporated June 25, 1903. The City is primarily a residential community located in Contra Costa County, twenty-four miles east of San Francisco on Interstate 80. The City provides the following services: public safety (police), parks, streets and highways, sanitation, culture-recreation, public improvements, planning and zoning, and general administration services.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2025, the City's staff comprised 100 full-time and 31 part-time employees who are responsible for the following City-provided services:

Public Safety - The City employs 25 sworn and 20 non-sworn police personnel to provide round-the-clock police services from a central station.

Sanitation - The City maintains a sewage treatment plant with 13 employees, the plant provides wastewater treatment services to the residents of the City of Pinole and the City of Hercules.

Parks, Streets and Highways - The City builds and maintains its streets, curbs, gutters, parks and related public property with a force of 13 employees. Major projects may be contracted out to reduce costs.

Recreation, Public Improvements, Planning, Zoning, Administration - Recreation, Public Improvements, Planning, Zoning, Administration and other services are provided by a total of 60 employees.

The financial statements and accounting policies of the City conform with accounting principles generally accepted in the United States of America ("U.S. GAAP") applicable to governments. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

A. The Reporting Entity

The accompanying basic financial statements present the financial activities of the City along with the financial activities of its blended component unit, which is an entity for which the City is financially accountable. Together these entities comprise the primary government for reporting purposes. Although they are separate legal entities, a blended component unit is in substance part of the City's operations and is reported as an integral part of the City's financial statements. The City's component unit, which is described below, is blended.

Pinole Joint Powers Financing Authority

The Pinole Joint Powers Financing Authority (the “Authority”) is a separate government entity whose purpose is to assist with the financing or refinancing of public capital facilities within the City. The Authority has the power to purchase bonds issued by any local agency and may sell such bonds to public or private purchasers. The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the Wastewater Utility Fund and the Private-Purpose Trust Fund.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

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

These statements require that the financial statements described below be presented.

Government-wide Financial Statements:

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in 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. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale takes place. Revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the City must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Fiduciary activities are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from and to other funds
- Transfers in and out

Governmental Fund Financial Statements

A Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances are presented for all major governmental funds and aggregated nonmajor funds. Accompanying schedules are presented to reconcile and explain the differences in fund balances 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 applicable criteria.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

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 Change in Fund Balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. 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.

Revenues are recognized as soon as they are both “measurable” and “available”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The City reports the following major governmental funds:

- *General Fund* – The general fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
- *Housing Program Special Revenue Fund* – The housing program special revenue fund is used to account for the proceeds tax increment funds through Redevelopment Property Tax Trust Funds that are restricted or committed to expenditure for approved housing activities.
- *Building and Planning Fund* – The building and planning fund is used to account for fees collected for building permits and plan check fees. Fees collected are used to cover the cost involved in plan checks and inspections performed.

Proprietary Fund Financial Statements

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 Net Position presents 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.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the Sewer fund are charges to customers for services. Operating expenses for the proprietary funds include the costs of services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports one major proprietary fund:

- *Wastewater Utility Fund* – The Wastewater Utility Fund is used to account for the collection of sewer service fees and the related cost of maintenance and repair of the sewer treatment plant.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

The City reports the following two types of fiduciary funds:

- *Custodial Funds* – Custodial Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations, and other governments for which the City has a custodial responsibility. This fund is used to account for funds collected from asset seizure and private donations received for the community assistance program.
- *Private-Purpose Trust Fund* – Private purpose trust fund is used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments. This fund was created as a result of the State order to dissolve California Redevelopment Agencies. As a Successor Agency, this fund is used to track the activity by the Oversight Board and the State Department of Finance to dissolve the Agency.

C. Property Taxes

California Constitution Article XIII A, limits the combined property tax rate to one percent of a property's assessed valuation. Additional taxes may be imposed with voter approval. Assessed value is calculated at one hundred percent of a property's fair value, as defined by Article XIII A, and may be increased no more than two percent per year unless a change in ownership occurs. The state legislature has determined the method of distributing the one percent tax levy among the various taxing jurisdictions.

Property tax revenues are recognized in the fiscal year for which taxes and assessments are levied. The County of Contra Costa levies, bills and collects property taxes and special assessments for the City under the County's "Teeter Plan." The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on February 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured and personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash and Investments

The City pools the cash of all funds, except for monies deposited with fiscal agents in accordance with related bond indentures. The cash and investments balance in each fund represents that fund's equity share of the City's cash and investment pool. As the City places no restrictions on the deposit or withdrawal of a particular fund's equity in the pool, the pool operates like a demand deposit account for the participating funds.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on month-end balances and is adjusted at fiscal year-end. Interest income on restricted cash and investments with fiscal agents is credited directly to the related funds.

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. The Local Agency Investment Fund ("LAIF") determines the fair value of their portfolio quarterly and reports a factor to the City; the City applies that factor to convert its share of LAIF from amortized cost to fair value. This amount is included in cash and cash equivalents in the balance sheet of the governmental funds. Changes in fair value are allocated to each participating fund.

For purposes of the statement of cash flows, the City has defined cash and cash equivalents to be change and petty cash funds, equity in the City's cash and investment pool, and restricted non-pooled investments with initial maturities of three months or less.

E. Cash and Investments with Fiscal Agents

Cash and investments with fiscal agents are restricted for the redemption of bonded debt, for acquisition and construction of capital projects, and pension contributions.

F. Fair Value Measurement

U.S. GAAP defines fair value, establishes a framework for measuring fair value and establishes disclosure about fair value measurement. Investments, unless otherwise specified at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

G. Accounts and Interest Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, police fines and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred. Business-type activities report utilities and interest earnings as their major receivables.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Accounts and Interest Receivable (Continued)

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but not in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

H. Prepaid Items and Inventory

Inventories are stated at cost (average cost per unit) for governmental and proprietary funds. Supplies of the General Fund consist of expendable supplies held for consumption. The cost is recorded as an expenditure/expense in the General Fund at the time individual items are consumed, rather than purchased. Inventories of governmental funds are offset by nonspendable fund balance to indicate they do not constitute resources available for future appropriation. Enterprise Fund supplies consist primarily of items held for internal use.

Prepaid items are also recognized under the consumption method. Payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items in both government-wide and fund financial statements.

I. Leases Receivable

The City is a lessor for leases of buildings and recognizes lease receivables and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. The City established a threshold of \$5,000 for lease receivables. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses incremental borrowing rate (IBR) provided by the financial institution at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Leases Receivables (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

J. Capital Assets

In the government-wide financial statements, capital assets with a historical cost over \$5,000 are accounted for as capital assets. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Contributed capital assets are valued at their estimated fair market value on the date contributed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value on the date donated.

The City defines infrastructure assets as the basic physical assets that allow the City to function. The assets include the street system, wastewater system, park and recreation lands and improvement system, and buildings combined with the site amenities such as parking and landscaped areas used by the City in the conduct of its business.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets acquired under finance purchase are capitalized at the net present value of the total finance payments.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method. The lives used for depreciation purposes are as follows:

<u>Asset Type</u>	<u>Years</u>
Infrastructure	50-75
Buildings and improvement	50-100
Machinery, equipment, and vehicles	5-10

K. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a subscription liability and a right-to-use subscription asset (subscription asset) in the financial statements. The City recognizes subscription liabilities with an initial, individual value of \$5,000 or more with a subscription term greater than one year. Variable payments based on future performance of the City, usage of the underlying IT asset, or number of user seats are not included in the measurement of the subscription liability, rather, those variable payments are recognized as outflows of resources (expenses) in the period the obligation for those payments is incurred.

At the commencement of a SBITA, the City initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made.

Subscription assets are recorded at the amount of the initial measurement of the subscription liabilities, less any payments made to the SBITA vendor before the commencement of the subscription term, and capitalizable initial implementation cost, less any incentives received from the SBITA vendor at or before the commencement of the subscription term.

- Preliminary Project Stage: Outlays are expensed as incurred.
- Initial Implementation Stage: Outlays are capitalized as an addition to the subscription asset.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Upon adoption, the City elected to exclude the capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage that were incurred prior to the implementation of this Statement in the measurement of subscription assets as of July 1, 2022.

Subscription assets are reported within capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position. Subscription assets are amortized using the straight-line method over the shorter of the subscription term or the useful life of the underlying IT asset, unless the subscription contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the subscription asset is amortized over the useful life of the underlying IT asset.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA.
- The subscription term includes the noncancellable period of the SBITA. Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

L. Lease Liabilities

The City recognizes lease liabilities with an initial, individual value of \$5,000 or more with a lease term greater than one year in the government-wide and proprietary fund financial statements. Variable payments based on future performance of the City or usage of the underlying asset are not included in the measurement of the lease liability. Lease assets are reported within capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Key estimates and judgments related to leases liabilities include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset or liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Long-Term Liabilities

In the Government-Wide Financial Statements and Proprietary Fund Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs except for any portion related to prepaid insurance were recognized as expense in the period incurred. Premium or discount not considered as part of the reacquisition price was amortized over the life of the bond.

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

N. Compensated Absences

Compensated absences comprise vested accumulated vacation and sick leave. The City's liability for compensated absences is recorded in governmental or business-type activities as appropriate. The liability for compensated absences is determined annually. For all governmental funds, amounts expected to be "permanently liquidated," such as what is due to be paid because of a realized employment action, are recorded as fund liabilities; the long-term portion is recorded in the Statement of Net Position.

The liability for compensated absences is recognized as leave is earned, based on the employee's pay rate in effect at the financial statement date, including any applicable salary-related costs. The liability includes only leave attributable to services already rendered and that is more likely than not to be paid.

O. Pension

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

The following timeframes are used for pension reporting:

CalPERS	
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

P. Other Postemployment Benefits (OPEB)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Other Postemployment Benefits (OPEB) (Continued)

General Fund is typically used to liquidate OPEB liabilities for governmental funds.

The following timeframes are reported OPEB reporting:

OPEB	
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Q. Deferred Outflows/Inflows of Resources

The statement of net position and balance sheet – governmental funds reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent outflows of resources (consumption of net assets) that applies to future periods and that, therefore, will not be recognized as an expense until that time.

Deferred Inflows of Resources represent inflows of resources (acquisition of net assets) that applies to future periods and that, therefore, are not recognized as revenue until that time.

R. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables as appropriate and are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position and Fund Balances

In the Government-Wide Financial Statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and amortization, reduced by the outstanding balances of retention payable and debt that are attributable to the acquisition, construction, or improvement of those assets, and related deferred outflows and inflows of resources, net of unspent debt proceeds.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the Governmental Fund Financial Statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the City's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has authorized by resolution the City Manager or the City Fiscal Officer for that purpose.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

- Restricted
- Committed
- Assigned
- Unassigned

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

Governmental Fund Financial Statements

When expenditures are incurred for purposes for which all restricted, committed, assigned and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

U. Grant Funding

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. The City's policy is to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

V. Deferred Compensation

City employees may defer a portion of their compensation under a City sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under these Plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the City's property and are not subject to City control, they have been excluded from these financial statements.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

W. Use of Estimates

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

X. Implementation of Governmental Accounting Standards Board (GASB) 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. Implementation of this Statement had a significant effect on the City's financial statements for the fiscal year ended June 30, 2025. See Note 19.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2025.

Y. New GASB Pronouncements

The City is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB 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. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments

The City maintains a cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investment held by trustees.

A. Summary of Cash and Investments

Cash and investments as of June 30, 2025 were classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Cash and investments	\$ 31,973,701	\$ 17,918,844	\$ 49,892,545	\$ 2,017,619	\$ 51,910,164
Cash and investments with fiscal agents	12,442,949	1,123,342	13,566,291	-	13,566,291
Total cash and investments	\$ 44,416,650	\$ 19,042,186	\$ 63,458,836	\$ 2,017,619	\$ 65,476,455

Cash and investments for the City at June 30, 2025, consisted of the following:

Cash:	
Cash on hand	\$ 1,920
Deposits with financial institution	3,807,731
Total cash	3,809,651
Investments:	
Local Agency Investment funds	24,015,846
CalTrust	3,631,411
Money Market Fund	11,710,666
Mutual Funds	7,891,363
Corporate Notes	977,070
Negotiable Certificates of Deposit	997,499
Restricted cash and investment with PARS	12,442,949
Total investments	61,666,804
Total cash and investments	\$ 65,476,455

B. Deposits

The carrying amount of the City's cash deposits were \$3,807,731 at June 30, 2025. Balance before reconciling amounts was \$4,057,909 at June 30, 2025. The City has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities pledged by the pledging financial institution in the City's name.

The California Government Code (Code) requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. The 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 market value of pledged securities must equal at least 110% of the City's cash deposits. California 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.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

B. Deposits (Continued)

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated 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.

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

Investments are reported at fair value. California statutes authorize Cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restricted) that address interest rate risk, credit risk, and concentration of credit risk. The table does not address investments of debt proceeds held by the bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy. The City's permissible investments are described below.

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	40%	None
Repurchases Agreements	30 days	10%	None
Banker's Acceptances	180 days	40%	10%
Commercial Paper (Minimum rating of "A" or higher)	180 days	15%***	None
Medium Term corporate Notes (Minimum rating of "AA" or higher)	5 Years	15%	5%
Negotiable Certificates of Deposit issued in California	5 Years	10%	None
Negotiable Certificates of Deposit	5 Years	30%	None
Local Agency Investment Fund (LAIF)**	N/A	None	None
Mutual Funds	N/A	15%	None

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

** Limit set by LAIF governing Board not California Government Code

*** An additional 15 percent or a total of 30 percent of the City's investment portfolio may be invested only if the dollar weighted average of the entire amount does not exceed 31 days.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

D. Investments Authorized by Debt Agreements

Investment of debt issuances held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
State of Municipal Bonds or Notes rated "AA" or better	None	None	None
Repurchase Agreements rated "A" or better	30 days	None	None
Investment Agreements and Contracts	None	None	None
Money Market Funds rated "AA-m" or better	None	None	None
Certificates of Deposit	None	None	None
Commercial Paper rated "A-1" or better	None	None	None
Federal Funds or Bankers Acceptances	1 Year	None	None
Local Agency Investment fund (LAIF)	None	None	None

E. Investment Valuation

Investments (except money market accounts that are included as part of restricted cash and investments) are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2025:

Investments measured by fair value level:	Total	Level 2	Uncategorized
Corporate Notes	\$ 977,070	\$ 977,070	\$ -
Negotiable Certificates of Deposits	997,499	997,499	-
Investments not subject to the fair value hierarchy:			
Local Agency Investment Fund	24,015,846	-	24,015,846
CalTrust	3,631,411	-	3,631,411
Restricted cash and investment with PARS	12,442,949	-	12,442,949
Mutual Funds	7,891,363	-	7,891,363
Money market funds	11,710,666	-	11,710,666
Total	\$ 61,666,804	\$ 1,974,569	\$ 59,692,235

Level 2 inputs are valued based on matrix pricing which use observable market inputs such as yield curves and market indices that are derived principally from or corroborated by observable market data by correlation to other means.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

F. Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City's interest rate risk is mitigated is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2025:

Investment Type	12 Months or less	13 to 24 Months	Total
<i>Held by City:</i>			
Money Market	\$ 11,710,666	\$ -	\$ 11,710,666
Local Agency Investment Fund	24,015,846	-	\$ 24,015,846
Caltrust	3,631,411	-	\$ 3,631,411
Securities of U.S. Government:			
Corporate Notes	-	977,070	977,070
Mutual Funds	7,891,363	-	7,891,363
Negotiable certificates of deposits	746,547	250,952	997,499
<i>Held by Trustees:</i>			
Restricted cash & investments with PARS	12,442,949	-	12,442,949
Total investments	\$ 60,438,782	\$ 1,228,022	\$ 61,666,804

G. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code or debt agreements, and the actual rating as of the fiscal year for each investment type.

Investment Type	Total	Minium Legal Rating	AA+	Not Rated
<i>Held by City:</i>				
Securities of U.S. Government:				
Corporate notes	\$ 977,070	AA+	\$ 977,070	\$ -
Local Agency Investment Fund	24,015,846	N/A	-	24,015,846
CalTrust	3,631,411	N/A	-	3,631,411
Mutual Funds	7,891,363	N/A	-	7,891,363
Money market fund	11,710,666	N/A	-	11,710,666
Negotiable certificates of deposits	997,499	N/A	-	997,499
Restricted Cash-PARS	12,442,949	N/A	-	12,442,949
Total investments	\$ 61,666,804		\$ 977,070	\$ 60,689,734

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Cash and Investments (Continued)

G. Disclosures Relating to Credit Risk (Continued)

Concentration of Credit Risk – The City complies with the limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments at June 30, 2025.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value for its investment or collateral securities that are in the possession of another party.

H. Investment in Local Agency Investment Fund (LAIF)

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had \$24,015,846 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

I. Investment in CalTRUST

The Investment Trust of California, doing business as CalTRUST, is a California joint powers authority which provides California Public Agencies with investment management services for surplus funds to consolidate investment activities of its Participants and thereby reduces duplication, achieves economies of scale and carries out coherent and consolidated investment strategies through the issuance of shares of beneficial interest in investments purchased by CalTRUST. CalTRUST currently offers three accounts or series as a means for Public Agencies to invest their funds. The City participates in the CalTRUST Short-Term Fund Series and CalTRUST Medium-Term Fund Series. The City had \$3,631,411 invested in CalTRUST at June 30, 2025.

Note 3 – Notes Receivable

Notes receivables of the City as of June 30, 2025, were:

Housing Rehabilitation	\$ 29,929
First time Home-Buyer	229,623
Bridge Housing Loan	1,103,908
Alvarez Court	1,931,058
Eastbluff Apartment Loan	1,120,868
811 San Pablo Ave	4,380,000
Subtotal	8,795,386
Less: Allowance for uncollectible loans	(4,415,385)
Total	<u><u>\$ 4,380,001</u></u>

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Notes Receivable (Continued)

Housing Rehabilitation The City has provided loans to various homeowners for rehabilitation of property. These loans are secured by second deeds of trust on the property and have a range of interest rates from 2% to 6% with a maximum fifteen-year term. The balance of these notes receivable totaled \$29,929 at June 30, 2025.

First Time Home-Buyer In 1995, the City implemented a first time homebuyer program designed to encourage home ownership among low-income persons by providing down payment assistance. Under this program, loans are provided at no interest and are due upon sale or transfer of the property, refinance or payoff of the first mortgage, recordation of a third mortgage or default of the first mortgage. At the time of the loan repayment, the City shares in equity appreciation based on the City's loan share of the original purchase price. The balance of the notes receivable arising from this program at June 30, 2025 was \$229,623.

Bridge Housing The Agency assisted Bridge Housing Corporation with its acquisition and development of the Pinole Grove Senior Housing Project by providing \$900,000 in the form of land and cash in return for a note bearing simple interest at a rate of 3% per year, secured by a deed of trust on the Project. Principal and interest are due annually but are payable only from surplus cash flow as defined in the note. The Project is not expected to generate a surplus cash flow and under the terms of the note. The total amount of principal plus accrued interest is due and payable on September 30, 2066. As of June 30, 2025, the outstanding balance was \$1,103,908.

Alvarez Court In August 2000, the City approved a loan of up to \$609,000 to assist the Resources for Community Development with the development of a housing project for persons with disabilities. In August 2002 the City amended the loan agreement, increasing the loan amount to \$988,000. The term of the loan is 40 years from the date of final closing by Housing and Urban Development, bearing a simple interest at a rate of 4% and is secured by first deed of trust. As of June 30, 2025, the total outstanding balance was \$1,931,058.

Eastbluff Apartments In 1996, the Pinole Redevelopment Agency assisted Eastbluff Associates with its development of the Eastbluff Apartments by providing \$975,000 in exchange for a note. The note was renegotiated in April 2016 and is secured by a deed of trust. The note bears an annual compound interest rate of 2.25% for a term of 55 years or until full repayment of the principal balance of the loan. Payments are the greater of \$63,375 per year or 50% of the surplus cash flow as defined in the terms of the Note. As of June 30, 2025, the outstanding balance was \$1,120,868.

Disposition and Development Agreement In 2021, the City entered into an agreement with Satellite Affordable Housing Associates (Developer) to develop, construct and operate the Thirty-Three unit affordable rental apartment project and provided the purchase loan and construction loan to Developer in amount of \$3,180,000 with a veering a simple interest rate of 3%. In March, 2023, both parties entered into an amendment of the agreement to increase the loan to \$4,380,000 and lower the interest rate from 3% to 0%. As of June 30, 2025, the outstanding balance was \$4,380,000.

Allowance for doubtful accounts

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and-moderate income housing. Some of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City has provided a 100% allowance for all notes receivable subject to long-term deferral and/or payment from future refinancing as well as all notes receivable having subordination provisions, except for those accounts that have current payment activity and are not delinquent at June 30, 2025.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 4 – Lease Receivables

The City leases various types of property including land and buildings. Leases receivable consist of agreements with other entities for the “right-to-use” the underlying assets at various locations owned by the City. The remaining terms of the agreements range from 1 to 7 years. The interest rates used to calculate the net present value of the lease receivable ranged from 1.39% to 2%.

For the fiscal year ended June 30, 2025, the City recognized \$86,045 and \$7,434 in lease revenue and interest income, respectively, and the outstanding net present value of the lease receivable amount is \$483,589.

A summary of changes in lease receivable for the governmental activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Classification	
					Due within One Year	Due in More Than One Year
Leases receivable	\$ 564,381	\$ -	\$ (80,792)	\$ 483,589	\$ 99,203	\$ 384,386

The future payments on the leases as of June 30, 2025 were as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 99,203	\$ 6,012	\$ 105,215
2027	90,234	4,770	95,004
2028	91,496	3,507	95,003
2029	92,776	2,227	95,003
2030	94,074	930	95,004
2031-2032	15,806	27	15,833
Total	\$ 483,589	\$ 17,473	\$ 501,062

The amortization of deferred inflow-lease related future revenue were as follows:

Year Ending June 30,	Amortization Schedule
2026	\$ 86,045
2027	86,045
2028	86,045
2029	86,045
2030	86,045
2031-2032	14,342
Total	\$ 444,567

Note 5 – Land Held For Resale

At June 30, 2025, the City and successor agency fund held the properties at 2100/2150 San Pablo Ave for resale or redevelopment with a total value of \$355,062 and \$2,469,715, respectively.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Capital Assets

A. Governmental Activities

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30 2025:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated					
Land	\$ 6,313,621	\$ -	\$ -	\$ (364,415)	\$ 5,949,206
Construction in progress	2,850,901	489,867	-	(1,242,541)	2,098,227
Total capital assets, not being depreciated	9,164,522	489,867	-	(1,606,956)	8,047,433
Capital assets, being depreciated					
Building and improvements	16,156,929	118,640	(1,112)	364,415	16,638,872
Machinery, equipment and vehicles	9,323,223	472,232	(349,862)	-	9,445,593
Infrastructure	61,222,765	-	-	1,242,541	62,465,306
Total capital assets, being depreciated	86,702,917	590,872	(350,974)	1,606,956	88,549,771
Accumulated depreciation:					
Building and improvements	(11,880,229)	(272,084)	1,112	-	(12,151,201)
Machinery, equipment and vehicles	(7,582,315)	(534,140)	349,862	-	(7,766,593)
Infrastructure	(45,678,951)	(835,522)	-	-	(46,514,473)
Total accumulated depreciation	(65,141,495)	(1,641,746)	350,974	-	(66,432,267)
Total capital assets, being depreciated, net	21,561,422	(1,050,874)	-	1,606,956	22,117,504
Right to use assets, being amortized					
Lease assets - machinery, equipment and vehicles	103,931	73,570	(95,874)	-	81,627
Subscription assets	1,155,303	58,798	-	-	1,214,101
Total right to use assets, being amortized	1,259,234	132,368	(95,874)	-	1,295,728
Accumulated amortization:					
Lease assets - machinery, equipment and vehicles	(73,920)	(26,806)	95,874	-	(4,852)
Subscription assets	(677,669)	(247,835)	-	-	(925,504)
Total accumulated amortization	(751,589)	(274,641)	95,874	-	(930,356)
Total right to use assets, being amortized, net	507,645	(142,273)	-	-	365,372
Total capital assets, net	\$ 31,233,589	\$ (703,280)	\$ -	\$ -	\$ 30,530,309

Depreciation and amortization expense for capital assets was charged to functions as follows:

General government	\$ 142,339
Public safety	307,810
Public works	1,185,720
Recreation	96,318
Community development	184,200
Total depreciation/amortization expense	\$ 1,916,387

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Capital Assets (Continued)

B. Business-Type Activities

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Capital assets, not being depreciated					
Construction in progress	\$ 367,638	\$ 3,838,939	\$ -	\$ -	\$ 4,206,577
Total capital assets, not being depreciated	367,638	3,838,939	-	-	4,206,577
Capital assets, being depreciated					
Building and improvements	40,857,072	89,033	-	-	40,946,105
Equipment	1,229,931	-	(88,254)	-	1,141,677
Vehicles	789,200	-	-	-	789,200
Infrastructure	7,474,337	-	-	-	7,474,337
Total capital assets, being depreciated	50,350,540	89,033	(88,254)	-	50,351,319
Accumulated depreciation:					
Building and improvements	(7,855,030)	(781,685)	-	-	(8,636,715)
Equipment	(924,655)	(13,715)	88,254	-	(850,116)
Vehicles	(465,367)	(126,707)	-	-	(592,074)
Infrastructure	(5,128,970)	(80,850)	-	-	(5,209,820)
Total accumulated depreciation	(14,374,022)	(1,002,957)	88,254	-	(15,288,725)
Total capital assets, being depreciated, net	35,976,518	(913,924)	-	-	35,062,594
Total capital assets, net	\$ 36,344,156	\$ 2,925,015	\$ -	\$ -	\$ 39,269,171

Depreciation expense for capital assets was charged to the wastewater fund in amount of \$1,002,957 for the year ended June 30, 2025.

Note 7 – Long-Term Liabilities

A. Governmental Activities

The following is a summary of changes in the City's long-term liabilities related to governmental activities for the fiscal year ended June 30, 2025:

	Balance July 1, 2024 As Restated	Additions	Retirements	Balance June 30, 2025	Classification	
					Due within One Year	Due in More Than One Year
Public Offering:						
2006 Pension Obligation Bonds	\$ 2,089,509	\$ -	\$ (203,321)	\$ 1,886,188	\$ 195,585	\$ 1,690,603
Other long-term liabilities:						
Leases payable:	30,976	73,570	(27,256)	77,290	14,529	62,761
Subscription payable:	199,399	53,267	(117,571)	135,095	83,160	51,935
Claims payable	21,652	5,549,575	(5,541,205)	30,022	30,022	-
Compensated absences *	1,387,723	(30,736)	-	1,356,987	140,688	1,216,299
Total long-term liabilities	\$ 3,729,259	\$ 5,645,676	\$ (5,889,353)	\$ 3,485,582	\$ 463,984	\$ 3,021,598

* The change in the compensated absences liability is presented as a net change.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Pension Obligation Bonds

In June 2006 the City authorized the issuance of \$16,800,000 of 2006 Series A-1 and A-2 Bonds. The Taxable Pension Obligation Bonds in the aggregate principal of \$6,214,630 were issued to finance the City's unfunded accrued actuarial liability with CalPERS. Repayment on the Bonds will be from General Fund revenues Non-voter-approved debt. Principal payments are due annually in June until 2036. As of June 30, 2025, the principal balance of outstanding bonds was \$1,886,188.

The annual debt service requirements (principal and interest) to maturity for the 2006 Pension Obligation Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 195,585	\$ 454,415	\$ 650,000
2027	191,228	483,773	675,001
2028	186,704	513,296	700,000
2029	180,806	539,194	720,000
2030	174,958	565,042	740,000
2031-2035	808,705	3,291,295	4,100,000
2036	148,202	751,798	900,000
Total	\$ 1,886,188	\$ 6,598,813	\$ 8,485,001

Leases payable

The City has entered leases for the right of way leases. The terms of the agreements are 60 months. The calculated interest rate used range from 2% to 6.66%. As of June 30, 2025, the outstanding balance of the leases is \$77,290.

Principal and interest payments to maturity at June 30, 2025 are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 14,529	\$ 4,717	\$ 19,246
2027	15,526	3,721	19,247
2028	16,115	2,655	18,770
2029	15,742	1,598	17,340
2030	15,378	517	15,895
Total	\$ 77,290	\$ 13,208	\$ 90,498

Subscription payable

The City entered into subscription agreements with various vendors for software. The terms of the agreements are ranging from 24 months to 48 months. The calculated interest rates range from 0.55% to 7.02%. As of June 30, 2025, the capitalized right-to-use assets related to SBITAs were \$288,597 and the total subscription liability was \$135,095 of which \$83,160 is reported as a current liability representing the amount due within the next fiscal year.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Subscription payable (Continued)

The future subscription payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 83,160	\$ 9,233	\$ 92,393
2027	40,707	3,541	44,248
2028	11,228	772	12,000
Total	\$ 135,095	\$ 13,546	\$ 148,641

B. Business-Type Activities

The following is a summary of changes in the City's long-term liabilities related to business-type activities for the fiscal year ended June 30, 2025:

	Balance July 01, 2024			Balance June 30, 2025	Classification	
	As Restated	Additions	Retirements		Due within One Year	Due in More Than One Year
Public offerings:						
2016 Wastewater Revenue Refunding Bond	\$ 5,633,000	\$ -	\$ (362,000)	\$ 5,271,000	\$ 372,000	\$ 4,899,000
2016 Clean Water State Revolving Fund	22,735,634	-	(702,678)	22,032,956	714,624	21,318,332
Total Public offerings	28,368,634	-	(1,064,678)	27,303,956	1,086,624	26,217,332
Other long-term liabilities:						
Compensated absences	278,478	5,395	*	283,873	33,732	250,141
Total long-term liabilities	\$ 28,647,112	\$ 5,395	\$ (1,064,678)	\$ 27,587,829	\$ 1,120,356	\$ 26,467,473

* The change in the compensated absences liability is presented as a net change.

2016 Wastewater Revenue Refunding Bonds

On June 30, 2016, the City issued an \$8,251,000 2016 Wastewater Revenue Refunding Bond (Bank Qualified) to redeem its 2006 Wastewater Revenue Bonds. The bonds bear annual interest at 2.95% which is payable semi-annually on March 1 and September 1 of each year through 2036. Principal payments are due annually beginning on September 1, 2016 through 2036. The bond is secured with pledged net wastewater revenues. As of June 30, 2025, the principal balance of outstanding bonds was \$5,271,000.

Future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 372,000	\$ 150,008	\$ 522,008
2027	381,000	138,901	519,901
2028	395,000	127,455	522,455
2029	404,000	115,670	519,670
2030	416,000	103,575	519,575
2031-2035	2,287,000	322,656	2,609,656
2036-2037	1,016,000	30,238	1,046,238
Total	\$ 5,271,000	\$ 988,503	\$ 6,259,503

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2016 Clean Water State Revolving Fund

In May 2016, the City entered into a loan agreement with the State of California Water Resources Control Board to provide funding for its 50% share of upgrades to the Pinole-Hercules Wastewater Pollution Control Plant to achieve compliance with Regional Water Quality Board NPDES. Funds are drawn on the agreement as work is completed up to a maximum amount of \$26.7 million plus any construction period interest. The loan accrues interest at a rate of 1.7 percent annually. Annual principal payments are due each July 1, commencing July 1, 2020. Final payment is due July 2049. Net revenues, defined as all sewer enterprise fund revenues less operations and maintenance costs (excluding depreciation and amortization expenses), is pledged for future debt service. As of June 30, 2025, the total debt outstanding on the loan is \$22,032,956.

Future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2026	\$ 714,624	\$ 374,560	\$ 1,089,184
2027	726,772	362,412	1,089,184
2028	739,127	350,057	1,089,184
2029	751,693	337,491	1,089,184
2030	764,471	324,713	1,089,184
2031-2035	4,021,772	1,424,147	5,445,919
2036-2040	4,375,445	1,070,475	5,445,920
2041-2045	4,760,220	685,700	5,445,920
2046-2050	5,178,832	267,089	5,445,921
Total	\$ 22,032,956	\$ 5,196,644	\$ 27,229,600

Note 8 – Interfund Transactions

A. Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2025 were as follows:

Transfers In	Transfers Out	
	General Fund^{1,2}	Total
General Fund	\$ 3,928,488	\$ 3,928,488
Nonmajor Governmental Funds	2,455,258	2,455,258
Total	\$ 6,383,746	\$ 6,383,746

¹Pension Trust and General Reserve and Measure I contribution to the General Fund.

²General Fund and Measure S Fund support of recreation, PCTV, and certain capital projects: General fund contribution to community development information system.

³ Measure I Fund, General Reserve Fund and Pension Fund as part of General Funds transfer the funds to General Fund to support the City's operation.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Interfund Transactions (Continued)

B. Due to/from Other Funds

These balances represent short term loans between funds which are expected to be reimbursed within one year. The composition of due to/from balances at June 30, 2025 consisted of the following:

<u>Due From</u>	<u>Due To</u>	<u>Description</u>	<u>Amount</u>
General Fund	Storm Water Fund	Deficit cash balance	\$ 341,623
General Fund	Building and Planning Fund	Deficit cash balance	2,595,604
General Fund *	General Fund	Deficit cash balance	2,612,328
General Fund	Public Works Capital Projects Funds	Deficit cash balance	82,515
General Fund	Refuse Management	Deficit cash balance	43,520
Total			<u>\$ 5,675,590</u>

* This is due to and due from between General Fund and Measure S Fund(as part of General Fund).

Note 9 – Defined Benefit Pension Plan

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (“Plan”) administered by the California Public Employees' Retirement System (“CalPERS”). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety and miscellaneous pools. The City sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non- duty disability benefits after 5 years of service. The death benefit is one of the following: the Special Death Benefit (Safety only), 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.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plans (Continued)

The rate plan provisions and benefits in effect for the year ended June 30, 2025, are summarized as follows:

Hire Date	Miscellaneous Cost- Sharing Plans	
	Classic	PEPRA
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0%
Required employee contribution rates	8.000%	7.750%
Required employer contribution rates	14.060%	7.680%
Final Annual Compensation	1 year	3 year

Hire Date	Safety Cost-Sharing Plans		
	Classic	PEPRA Police	PEPRA Fire
Benefit formula	3% @ 55	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	50 - 57	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.700%	2.700%
Required employee contribution rates	9.00%	13.750%	13.750%
Required employer contribution rates	24.150%	13.540%	13.540%
Final Annual Compensation	1 year	3 years	3 years

Employees Covered

At June 30, 2023, the valuation date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous Plans	Safety Plans
Active employees	74	26
Transferred and terminated employees	97	54
Retired employees and beneficiaries	128	108
Total	299	188

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 an unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contract 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 contributions.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Defined Benefit Pension Plan (Continued)

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Price Inflation Salary Increases	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds. .
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 The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-Term Expected Rate of Return

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 expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points. The expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real Return (1),(2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Defined Benefit Pension Plan (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.90% as of the measurement date of June 30, 2024. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, 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.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the plans as of the measurement date of June 30, 2024, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	\$ 27,489,612	\$ 18,905,222	\$ 11,839,002
Safety Plan	38,585,550	25,838,563	15,413,320
	<u>\$ 66,075,162</u>	<u>\$ 44,743,785</u>	<u>\$ 27,252,322</u>

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Miscellaneous			
Balance at: 6/30/23 (Valuation date)	\$ 60,135,008	\$ 40,994,438	\$ 19,140,570
Balance at: 6/30/24 (Measurement date)	63,616,178	44,710,956	18,905,222
Net Changes during 2023-2024	3,481,170	3,716,518	(235,348)
Safety			
Balance at: 6/30/23 (Valuation date)	\$ 89,674,397	\$ 63,368,786	\$ 26,305,611
Balance at: 6/30/24 (Measurement date)	93,316,809	67,478,246	25,838,563
Net Changes during 2023-2024	3,642,412	4,109,460	(467,048)

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Defined Benefit Pension Plan (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 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 the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of measurement date June 30, 2023 and 2024 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>
Proportion June 30, 2023	0.38278%	0.35192%
Proportion June 30, 2024	0.39088%	0.35440%
Change - Increase (Decrease)	0.00810%	0.00248%

For the year ended June 30, 2025, the City recognized pension expense in the amounts of \$3,118,202 and \$4,984,934 for the miscellaneous plan and safety plan, respectively, for a total amount of \$8,103,136.

As of June 30, 2024, the measurement date, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Miscellaneous Plan</u>		<u>Safety Plan</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made subsequent to measurement date	\$ 2,448,395	\$ -	\$ 2,712,580	\$ -
Difference between expected and actual experience	1,634,530	(63,778)	2,108,656	(68,561)
Changes in assumptions	485,903	-	636,609	-
Differences difference between projected and actual investment earnings	1,088,350	-	1,248,918	-
Adjustment due to differences in proportions	-	(796,237)	312,613	(184,572)
Difference between the City's contributions and proportionate share of contributions	580,832	(23,958)	28,079	(383,460)
Total	<u>\$ 6,238,010</u>	<u>\$ (883,973)</u>	<u>\$ 7,047,455</u>	<u>\$ (636,593)</u>

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Defined Benefit Pension Plan (Continued)

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

\$2,448,395 and \$2,712,580 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2026	\$ 725,981	\$ 1,414,094
2027	2,507,284	2,809,123
2028	45,342	(97,612)
2029	(372,965)	(427,323)
2030	-	-
Thereafter	-	-
	<u>\$ 2,905,642</u>	<u>\$ 3,698,282</u>

Note 10 – Other Post-Employment Benefits (OPEB)

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	\$ 1,656,982	\$ 184,109	\$ 1,841,091
Difference between expected and actual experience	2,039,844	226,649	2,266,493
Changes in assumptions	1,264,780	140,531	1,405,311
Total deferred outflows of resources	<u>\$ 4,961,606</u>	<u>\$ 551,289</u>	<u>\$ 5,512,895</u>
Total OPEB liability:			
Total OPEB liability, due within one year	\$ 1,483,096	\$ 164,789	\$ 1,647,885
Total OPEB liability, due in more than one year	29,895,636	3,321,737	33,217,373
Total OPEB liability	<u>\$ 31,378,732</u>	<u>\$ 3,486,526</u>	<u>\$ 34,865,258</u>
Deferred inflows of resources:			
Difference between expected and actual experience	\$ 1,369,486	\$ 152,165	\$ 1,521,651
Changes in assumptions	8,619,583	957,732	9,577,315
Total deferred inflows of resources	<u>\$ 9,989,069</u>	<u>\$ 1,109,897</u>	<u>\$ 11,098,966</u>
OPEB Expense	<u>\$ 903,392</u>	<u>\$ 100,377</u>	<u>\$ 1,003,769</u>

B. Description of the Plan

The City sponsors and administers a single-employer health care plan for its employees. The plan includes healthcare coverage to long-service retirees. At retirement, City employees can elect Blue Shield, Kaiser, PERS Care, or PERS Choice medical coverage through the City at the City's expense. As the City's OPEB benefits are administered by City personnel, no separate financial statements are issued. There are no assets accumulated in a GASB-compliant trust.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Other Post-Employment Benefits (OPEB) (Continued)

C. Employees Covered

As of the June 30, 2024, measurement date (June 30, 2023 valuation date), the following current and former employees were covered by the benefit terms under the Plan:

Active employees	102
Retired employees and beneficiaries	104
Total	<u>206</u>

D. Contributions

Employees hired before July 1, 2010 receive a City contribution toward their retiree health premium equal to that provided to current active employees. Employees shall be offered the option to opt into the vesting program as soon after the program implementation as allowed per CalPERS regulations.

Employees hired on or after July 1, 2010 receive a City contribution toward their retiree health premium in an amount as described by Government Code Section 22893 (the PERS vesting schedule). Government Code Section 22893 currently reads that the percentage of employer contribution payable for postretirement health benefits for an employee of a contracting agency subject to this section shall, except as provided in subdivision (b) be based on the member's completed years of credited state service at retirement as shown in the following table:

Credited Years of Service	Percentage of Employer Contributions
10	50
11	55
12	60
13	65
14	70
15	75
16	80
17	85
18	90
19	95
20 or more	100

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Other Post-Employment Benefits (OPEB) (Continued)

E. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2023. 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 date.

Measurement Date	June 30, 2023	June 30, 2024
Discount Rate	3.86%	4.09%
Inflation	2.30%	2.30%
Healthcare Trend Rate		
Pre-Medicare	7.40%	6.80% *
Medicare	4.20%	4.17% *
Salary Increase	2.80%	2.80% *
Mortality rate	Based on CalPERS Tables	

* Trending down to 4.14% over 51 years. Applies to calendar years.

**Additional merit-based increases based on CalPERS merit salary increase tables.

F. Discount Rate

The discount rate used to measure the total OPEB liability increased to 4.09% from 3.86%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2023 (Measurement Date)	\$ 34,976,356
Changes Recognized for the Measurement Period:	
Service Cost	1,223,695
Interest on the total OPEB liability	1,363,994
Difference between expected and actual experience	74,705
Changes of assumptions	(1,046,662)
Implicit Subsidy Credit	(383,474)
Benefit payments	(1,343,356)
Net Changes during July 1, 2023 to June 30, 2024	(111,098)
Balance at June 30, 2024 (Measurement Date)	\$ 34,865,258

Sensitivity of the Liability to Changes in the Discount Rate and Healthcare Cost Trend Rate – Sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3.09%) or one percentage point higher (5.09%) follows:

Plan's Total OPEB Liability		
Discount Rate - 1% (3.09%)	Current Discount Rate (4.09%)	Discount Rate + 1% (5.09%)
\$ 39,822,238	\$ 34,865,258	\$ 30,853,682

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Other Post-Employment Benefits (OPEB) (Continued)

G. Changes in the Total OPEB Liability (Continued)

Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rate – The healthcare trend for this valuation started at 6.80% and decreased to 4.14% over 51 years. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.80%) or one percentage point higher (7.80%) than current healthcare cost trend rates follows:

Plan's Total OPEB Liability		
	Healthcare Cost	
	Trend Rates	
-1%	6.80%	1%
(5.80%)	(6.80%)	(7.80%)
\$ 30,259,564	\$ 34,865,258	\$ 40,621,655

H. Expected Average Remaining Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in the OPEB Expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows. Note, however, that for calculation purposes, we use 1 when calculating amortizations if the EARSL is less than 1 year.

EARSL: 5.9 years.

I. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of \$1,003,769. For the fiscal year ended June 30, 2025, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 1,841,091	\$ -
Difference between expected and actual experience	2,266,493	(1,521,651)
Changes of assumptions	1,405,311	(9,577,315)
Total	\$ 5,512,895	\$ (11,098,966)

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Other Post-Employment Benefits (OPEB) (Continued)

I. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

The \$1,841,091 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2024 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2026. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2026	\$ (1,537,736)
2027	(2,943,047)
2028	(2,222,951)
2029	(575,166)
2030	(148,262)
Thereafter	-
	\$ (7,427,162)

Note 11 – Deferred Compensation Plan

A. 457 Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan is available to full-time employees. The Internal Revenue Service regulations allow an employer to designate a 457(b) Deferred Compensation Plan as an alternative to social security. The plan permits employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) held in trust by Mission Square, the City's third-party administrator, for the exclusive benefit of the plan participants and their beneficiaries as prescribed by Internal Revenue Code Section 457(g). Accordingly, these assets have been excluded from the City's Annual Comprehensive Financial Report.

In the year 2021, the City evaluated the requirements of GASB Statement No. 84, *Fiduciary Activities* and GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* and determined that plan didn't meet the criteria to be reported as a fiduciary activity, as required by the above mentioned GASB Statements. Moreover, the plan is classified as other employee benefits for financial reporting purposes.

As of June 30, 2025, the amount held by the Trustee for the City employees is \$9,956,526.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Fund Balance

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent.

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, and unassigned amounts.

The City classifies fund balances, as shown on the Balance Sheet – Governmental Funds, as follows as of June 30, 2025:

	General Fund	Housing Programs Fund	Building & Planning Fund	Non-major Governmental Funds	Total
Nonspendable					
Prepaid items	\$ 61,529	\$ -	\$ -	\$ 320,552	\$ 382,081
Inventory	18,227	-	-	-	18,227
Total nonspendable	79,756	-	-	320,552	400,308
Restricted					
Housing Redevelopment	-	8,251,073	-	-	8,251,073
Real estate maintenance	116,210	-	-	-	116,210
Public safety	-	-	-	796,616	796,616
Growth impact	-	-	-	3,462,184	3,462,184
Gas Tax	-	-	-	2,188,100	2,188,100
Parkland Dedication	-	-	-	122	122
Measure C	-	-	-	2,461,871	2,461,871
Community development	-	-	-	7,635	7,635
Solid Waste	-	-	-	3,306,892	3,306,892
CASP Certification	-	-	-	56,831	56,831
Rate Stabilization	-	-	-	227,215	227,215
Pension Fund	12,442,949	-	-	-	12,442,949
Total restricted	12,559,159	8,251,073	-	12,507,466	33,317,698
Committed					
General reserve	9,907,357	-	-	-	9,907,357
Equipment reserve	229,348	-	-	-	229,348
Emergency reserve	100,000	-	-	-	100,000
Total committed	10,236,705	-	-	-	10,236,705
Assigned					
Capital projects	-	-	-	4,455,979	4,455,979
Total assigned	-	-	-	4,455,979	4,455,979
Unassigned (deficit)	5,619,093	-	(2,545,964)	(391,272)	2,681,857
Total fund balances	\$ 28,494,713	\$ 8,251,073	\$ (2,545,964)	\$ 16,892,725	\$ 51,092,547

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Risk Management

The City manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California which exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the member's responsibility.

Risk Coverage - The City is a member of the Municipal Pooling Authority of Northern California (MPA). MPA provides coverage against the following types of loss risks under terms of joint-powers agreement with the City and several other cities and governmental agencies as follows:

Type of Coverage (Deductible)	Coverage Limits
Liability (\$25,000) including errors and omissions for Public Officials	\$ 34,500,000
All Risk Fire and Property (\$25,000)	1,000,000,000
Workers' Compensation (no deductible)	50,000,000
Vehicle Physical Damage (\$3,000 for police, \$2,000 all others)	250,000

The MPA is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the MPA, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on the Board.

The City's deposits with the MPA are in accordance with formulas established by the MPA. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

During the fiscal year ended June 30, 2025, the City contributed \$1,975,333 for coverage.

Financial statements may be obtained from Municipal Pooling Authority of Northern California, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

Note 14 – Stewardship, Compliance, and Accountability

A. Deficit Fund Balances/Net Position

As of June 30, 2025, the following funds had a fund deficit:

Fund	Fund Type	Deficit
Building & Planning Fund	Major Fund	\$ (2,545,964)
Non-major governmental funds:		
Storm Water Fund	Special Revenue Fund	(333,733)
Refuse Management Fund	Special Revenue Fund	(33,477)
Cable TV Fund	Special Revenue Fund	(682)
Recreation Fund	Special Revenue Fund	(18,380)

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 14 – Stewardship, Compliance, and Accountability (Continued)

B. Expenditures in Excess of Appropriations

The following funds had expenditures in excess of appropriations:

Fund	Appropriations	Expenditures	Excess Expenditures over Appropriations
Major Governmental Funds:			
General Fund			
General administration	\$ 4,743,497	\$ 5,565,434	\$ (821,937)
Debt Service - Principal	203,321	348,148	(144,827)
Debt Service - Interest and fiscal charges	432,786	441,395	(8,609)
Nonmajor Governmental Funds:			
Gas Tax Special Revenue Fund			
Public works	572,107	594,441	(22,334)
Storm Water Special Revenue Fund			
Public works	379,829	442,586	(62,757)
Police Special Revenue Fund			
Public safety	599,587	612,976	(13,389)
Recreation Special Revenue Fund			
General administration	7,500	8,049	(549)
Solid Waste Special Revenue Fund			
Public works	173,666	241,110	(67,444)
CASP Certification & Training Special Revenue Fund			
Community development	-	398	(398)

Note 15 – Successor Agency Private Purpose Trust for Assets of Former Redevelopment Agency

The Pinole Redevelopment Agency (the "former RDA") was formed in 1972 to finance redevelopment projects in the Agency of Pinole pursuant to the State of California Health and Safety Code, Section 3300. On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 that provided for the dissolution of all redevelopment agencies in the State of California as of February 1, 2012, at which time the City of Pinole elected to take over as the Successor Agency (the "Agency").

The asset and liabilities of the former RDA were transferred to the Successor Agency on February 1, 2012 as a result of the dissolution. The Successor Agency acts in a fiduciary capacity to wind down affairs of the former RDA which includes disposing of the assets and liabilities, and its activities are reported in the fiduciary private-purpose trust fund.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 15 – Successor Agency Private Purpose Trust for Assets of Former Redevelopment Agency (Continued)

A. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Balance July 1, 2024	Additions	Balance June 30, 2025
Capital assets, not being depreciated			
Land	\$ 2,429,793	\$ -	\$ 2,429,793
Total capital assets, not being depreciated	2,429,793	-	2,429,793
Capital assets, being depreciated			
Building and improvements	9,193,612	-	9,193,612
Infrastructure	3,617,484	-	3,617,484
Total capital assets, being depreciated	12,811,096	-	12,811,096
Accumulated depreciation:			
Building and improvements	(3,897,772)	(188,954)	(4,086,726)
Infrastructure	(1,950,148)	(66,716)	(2,016,864)
Total accumulated depreciation	(5,847,920)	(255,670)	(6,103,590)
Total capital assets, being depreciated, net	6,963,176	(255,670)	6,707,506
Total capital assets, net	\$ 9,392,969	\$ (255,670)	\$ 9,137,299

Note 16 – Contingencies and Commitments

The City is subject to litigation arising in the normal course of business. In the opinion of the City Attorney there is no pending litigation which is likely to have a material adverse effect on the financial position of the City.

Grant Awards – The City participates in certain Federal and State assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

Note 17 – Net Investment in Capital Assets

Net investment in capital assets at June 30, 2025 consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	\$ 8,047,433	\$ 4,206,577
Capital assets, depreciable/amortizable, net	22,482,876	35,062,594
Retention payable	(18,580)	(162,439)
Long-term debt:		
Leases payable	(77,290)	-
Subscription payable	(135,095)	-
2016 Wastewater Revenue Refunding Bond	-	(5,271,000)
2016 Clean Water State Revolving Fund	-	(22,032,956)
Total net investment in capital assets	\$ 30,299,344	\$ 11,802,776

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 18 – Joint Powers Agreements

The City is a member of the joint powers agency described below. This agency is governed by a board, which controls their operation, including selection of management and approval of operating budgets, independent of influence by member municipalities beyond their representation on the board.

A. Pinole/Hercules Wastewater Treatment Plant

On January 23, 2001, the cities of Pinole and Hercules entered into a joint powers agreement for the operation and ownership of the Pinole/Hercules Wastewater Treatment Plant (Plant). The City of Hercules retains responsibility for the operation and maintenance of its wastewater collection system. The City of Hercules has an undivided fifty percent (50%) ownership interest in the Plant. The City of Pinole has the right and responsibility to manage and operate the Plant. Also, the City of Pinole maintains the records and accounts for all the transactions.

Note 19 – Restatement of Beginning Net Position and Fund Balance

During fiscal year 2025, restatements of beginning net position are as follows:

	June 30, 2024	Change in Accounting	June 30, 2024
	As Previously Reported	Principle (a)	As Restated
Government-Wide			
Governmental Activities	\$ 16,873,089	\$ (541,915)	\$ 16,331,174
Business-Type Activities	22,048,064	(63,308)	21,984,756
Total primary government	<u>38,921,153</u>	<u>(605,223)</u>	<u>38,315,930</u>
Enterprise Fund:			
Water Utility Enterprise Fund	\$ 22,048,064	\$ (63,308)	\$ 21,984,756
Total Enterprise Funds	<u>\$ 22,048,064</u>	<u>\$ (63,308)</u>	<u>\$ 21,984,756</u>

Implementation of GASB Statement No. 101, Compensated Absences

Effective for the fiscal year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. This statement establishes accounting and financial reporting standards for compensated absences, including vacation, sick leave, and other paid time off. The implementation of GASB 101 resulted in a change in accounting principle, and prior year amounts have been restated accordingly.

Under GASB 101, a liability must be recognized for leave that is attributable to services already rendered, accumulates and carries forward to future periods, and is more likely than not to be used or paid. This represents a shift from previous guidance, particularly in how likelihood and eligibility are assessed. The effect of the restatement is as shown above.

REQUIRED SUPPLEMENTARY INFORMATION

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City of Pinole
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2025

Budget and Budgetary Accounting

The City followed these procedures in establishing the budgetary data reflected in the General-Purpose Financial Statements:

- 1 Annually, the City Manager submits to the City Council a proposed operating budget for the following fiscal year. This budget includes proposed expenditures, by fund and department, and the revenues expected to finance them. Public hearings are conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution. Any revisions which alter total expenditures of any fund must be approved by the City Council.
- 2 Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget to actual comparisons in this report use this budgetary basis. Unexpended appropriations lapse at year-end and must be re-appropriated in the following year.
- 3 Budgeted amounts are as originally adopted, or as amended by the City Council.
- 4 Budgeted appropriations for the various governmental funds become effective each July 1. The City Council may amend the budget during the fiscal year. The legal level of budgetary control has been established at function level. Appropriations generally lapse at the end of the fiscal year to the extent they have not been expended.

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City of Pinole
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Taxes and assessments	\$ 22,328,775	\$ 22,729,495	\$ 23,084,237	\$ 354,742
Intergovernmental revenues	142,907	176,368	196,826	20,458
Investment earnings	1,209,000	1,209,000	1,740,629	531,629
Rents and ground leases	118,266	118,266	93,218	(25,048)
Charges for services	2,167,536	2,167,536	2,427,448	259,912
Fines, forfeitures and penalties	15,550	26,050	34,535	8,485
Other revenues	16,600	16,600	46,798	30,198
Total revenues	25,998,634	26,443,315	27,623,691	1,180,376
EXPENDITURES:				
Current:				
General administration	4,670,349	4,743,497	5,565,434	(821,937)
Public safety	22,071,498	22,068,070	18,427,142	3,640,928
Public works	2,434,766	2,575,226	2,436,095	139,131
Recreation	426,865	435,699	408,986	26,713
Community development	585,788	600,338	556,232	44,106
Capital outlay	5,109,816	4,980,771	957,330	4,023,441
Debt Service:				
Principal	203,321	203,321	348,148	(144,827)
Interest and fiscal charges	432,786	432,786	441,395	(8,609)
Total expenditures	35,935,189	36,039,708	29,140,762	6,898,946
Excess (deficiency) of revenues over expenditures	(9,936,555)	(9,596,393)	(1,517,071)	8,079,322
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset	1,000	1,000	1,327	327
Issuance of leases and subscription liabilities	-	-	126,837	126,837
Transfers in	3,418,790	4,018,790	3,928,488	(90,302)
Transfers out	(4,830,090)	(6,474,048)	(6,383,746)	90,302
Total other financing sources (uses)	(1,410,300)	(2,454,258)	(2,327,094)	127,164
NET CHANGES IN FUND BALANCE	\$ (11,346,855)	\$ (12,050,651)	(3,844,165)	\$ 8,206,486
FUND BALANCE:				
Beginning of year			32,338,878	
End of year			<u>\$ 28,494,713</u>	

City of Pinole
Budgetary Comparison Schedule
Housing Programs Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Investment earnings	\$ 50,000	\$ 50,000	\$ 176,892	\$ 126,892
Other revenues	5,000	5,000	-	(5,000)
Total revenues	55,000	55,000	176,892	121,892
EXPENDITURES:				
Current:				
Community development	323,243	323,243	193,590	129,653
Total expenditures	323,243	323,243	193,590	129,653
NET CHANGES IN FUND BALANCE	\$ (268,243)	\$ (268,243)	(16,698)	\$ 251,545
FUND BALANCE:				
Beginning of year			8,267,771	
End of year			<u>\$ 8,251,073</u>	

City of Pinole
Budgetary Comparison Schedule
Building and Planning Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Taxes and assessments	\$ 476,916	\$ 476,916	\$ 488,477	\$ 11,561
Intergovernmental revenues	40,000	40,000	391,360	351,360
Investment earnings	7,000	7,000	500	(6,500)
Charges for services	865,610	831,110	769,169	(61,941)
Fines, forfeitures and penalties	20,000	20,000	41,652	21,652
Other revenues	6,000	6,000	-	(6,000)
Total revenues	1,415,526	1,381,026	1,691,158	310,132
EXPENDITURES:				
Current:				
Community development	2,037,558	2,141,158	2,010,442	130,716
Capital outlay	2,000	2,000	-	2,000
Total expenditures	2,039,558	2,143,158	2,010,442	132,716
Excess (deficiency) of revenues over expenditures	(624,032)	(762,132)	(319,284)	442,848
OTHER FINANCING SOURCES (USES):				
Transfers in	67,000	67,000	-	(67,000)
Total other financing sources (uses)	67,000	67,000	-	(67,000)
NET CHANGE IN FUND BALANCE	\$ (557,032)	\$ (695,132)	(319,284)	\$ 375,848
FUND BALANCE (DEFICIT):				
Beginning of year			(2,226,680)	
End of year			<u>\$ (2,545,964)</u>	

City of Pinole
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
Cost-Sharing Multiple Employer Miscellaneous Plan
For the Year Ended June 30, 2025

	Miscellaneous Plan				
Measurement period, year ended	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Plan's proportion of the net pension liability	0.2642100%	0.2649900%	0.2655100%	0.2659200%	0.2713000%
Plan's proportionate share of the net pension liability	\$ 18,905,222	\$ 19,140,570	\$ 18,093,979	\$ 10,920,678	\$ 16,004,315
Plan's covered payroll	\$ 7,862,831	\$ 7,462,350	\$ 5,876,649	\$ 5,330,477	\$ 4,879,830
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	240.44%	256.50%	307.90%	211.80%	334.60%
Plan's fiduciary net position	\$ 44,710,956	\$ 40,994,438	\$ 38,857,645	\$ 42,169,171	\$ 35,326,833
Plan's fiduciary net position as a percentage of the total pension liability	70.28%	68.17%	68.23%	79.43%	68.82%

City of Pinole
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
Cost-Sharing Multiple Employer Miscellaneous Plan
For the Year Ended June 30, 2025

	Miscellaneous Plan				
Measurement period, year ended	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Plan's proportion of the net pension liability	0.2715300%	0.2770700%	0.2846100%	0.2849400%	0.2990880%
Plan's proportionate share of the net pension liability	\$ 15,121,848	\$ 14,125,442	\$ 14,317,779	\$ 12,368,264	\$ 10,147,708
Plan's covered payroll	\$ 4,196,794	\$ 4,073,566	\$ 4,081,438	\$ 3,473,271	\$ 3,762,767
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	348.11%	339.74%	350.80%	356.10%	269.69%
Plan's fiduciary net position	\$ 33,710,618	\$ 32,674,876	\$ 31,266,917	\$ 28,655,555	\$ 30,646,409
Plan's fiduciary net position as a percentage of the total pension liability	69.03%	69.82%	68.59%	69.85%	75.12%

City of Pinole
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
Cost-Sharing Multiple Employer Safety Plan
For the Year Ended June 30, 2025

	Safety Plan				
Measurement period, year ended	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Plan's proportion of the net pension liability	0.298680%	0.301440%	0.303110%	0.297990%	0.304450%
Plan's proportionate share of the net pension liability	\$ 25,838,563	\$ 26,305,611	\$ 24,214,798	\$ 12,714,382	\$ 20,693,050
Plan's covered payroll	\$ 3,652,162	\$ 3,473,176	\$ 4,754,358	\$ 4,359,543	\$ 4,197,326
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	707.49%	555.32%	509.32%	129.11%	241.00%
Plan's fiduciary net position	\$ 67,478,246	\$ 63,368,786	\$ 60,886,598	\$ 65,389,834	\$ 54,757,252
Plan's fiduciary net position as a percentage of the total pension liability	72.31%	70.67%	71.55%	83.72%	72.57%

City of Pinole
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
Cost-Sharing Multiple Employer Safety Plan
For the Year Ended June 30, 2025

	Safety Plan				
Measurement period, year ended	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Plan's proportion of the net pension liability	0.311100%	0.308530%	0.310790%	0.315420%	0.318363%
Plan's proportionate share of the net pension liability	\$ 18,793,747	\$ 17,290,615	\$ 17,051,864	\$ 14,755,488	\$ 11,004,090
Plan's covered payroll	\$ 4,144,060	\$ 5,496,056	\$ 3,655,556	\$ 3,827,739	\$ 3,931,175
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	224.74%	213.58%	219.99%	196.37%	161.75%
Plan's fiduciary net position	\$ 54,136,140	\$ 50,751,672	\$ 48,664,063	\$ 45,052,163	\$ 46,720,579
Plan's fiduciary net position as a percentage of the total pension liability	74.23%	74.59%	74.05%	75.33%	80.94%

City of Pinole
Required Supplementary Information
Schedule of Contributions - Pensions
Cost-Sharing Multiple Employer Miscellaneous Plan
For the Year Ended June 30, 2025

	Miscellaneous Plan				
Fiscal Year:	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually determined contribution (actuarially determined)	\$ 2,448,395	\$ 2,209,061	\$ 2,148,835	\$ 1,888,941	\$ 1,689,822
Contributions in relation to the actuarially determined contributions	(2,448,395)	(2,209,061)	(2,148,835)	(1,888,941)	(1,689,822)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 8,082,990	\$ 7,862,831	\$ 7,462,350	\$ 5,876,649	\$ 5,330,477
Contributions as a percentage of covered payroll	30.29%	28.09%	28.80%	32.64%	32.77%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023-24 were derived from the June 30, 2021 funding valuation report.

Methods and assumptions used to determine contribution rates: Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021, funding valuation report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021, funding valuation report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.90% Net of pension plan investment and administrative expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of Pinole
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
Cost-Sharing Multiple Employer Miscellaneous Plan
For the Year Ended June 30, 2025

	Miscellaneous Plan				
Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually determined contribution (actuarially determined)	\$ 1,503,913	\$ 1,302,704	\$ 1,058,603	\$ 941,653	\$ 853,299
Contributions in relation to the actuarially determined contributions	(1,503,913)	(1,302,704)	(1,058,603)	(941,653)	(853,299)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,879,830	\$ 4,196,794	\$ 4,073,566	\$ 4,081,438	\$ 3,473,271
Contributions as a percentage of covered payroll	31.45%	29.99%	25.99%	23.07%	24.57%

City of Pinole
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
Cost-Sharing Multiple Employer Safety Plan
For the Year Ended June 30, 2025

	Safety Plan				
Fiscal Year:	2024-25	2023-24	2022-23	2021-22	2020-21
Contractually determined contribution (actuarially determined)	\$ 2,712,580	\$ 2,401,947	\$ 2,584,516	\$ 2,386,694	\$ 2,099,289
Contributions in relation to the actuarially determined contributions	(2,712,580)	(2,401,947)	(2,584,516)	(2,386,694)	(2,099,289)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 3,754,423	\$ 3,652,162	\$ 3,473,176	\$ 4,754,358	\$ 4,359,543
Contributions as a percentage of covered payroll	72.25%	65.77%	74.41%	50.20%	48.15%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2023-24 were derived from the June 30, 2021 funding valuation report.

Methods and assumptions used to determine contribution rates: Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021, funding valuation report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021, funding valuation report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.80%
Investment rate of return	6.90% Net of pension plan investment and administrative expenses; includes Inflation.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of Pinole
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
Cost-Sharing Multiple Employer Safety Plan
For the Year Ended June 30, 2025

	Safety Plan				
Fiscal Year:	2019-20	2018-19	2017-18	2016-17	2015-16
Contractually determined contribution (actuarially determined)	\$ 1,863,419	\$ 1,584,004	\$ 1,239,511	\$ 1,125,572	\$ 1,027,403
Contributions in relation to the actuarially determined contributions	(1,863,419)	(1,584,004)	(1,239,511)	(1,125,572)	(1,027,403)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,197,326	\$ 4,144,060	\$ 5,496,056	\$ 3,655,556	\$ 3,827,739
Contributions as a percentage of covered payroll	44.40%	38.22%	22.55%	30.79%	26.84%

City of Pinole
Required Supplementary Information
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2025

Measurement period, year ending:	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Total OPEB liability					
Service cost	\$ 1,223,695	\$ 1,435,271	\$ 1,960,338	\$ 2,241,980	\$ 1,615,428
Interest	1,363,994	1,311,164	984,103	1,063,633	1,308,423
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	74,705	3,334,938	(343,035)	(4,050,407)	-
Changes of assumptions	(1,046,662)	(6,025,520)	(9,270,071)	(270,144)	8,431,861
Benefit payments, including refunds of member contributions	(1,343,356)	(1,221,107)	(1,283,772)	(1,258,835)	(1,223,092)
Implicit Subsidy Credit	(383,474)	(144,415)	-	-	-
Change in total OPEB liability	(111,098)	(1,309,669)	(7,952,437)	(2,273,773)	10,132,620
Total OPEB liability - beginning	34,976,356	36,286,025	44,238,462	46,512,235	36,379,615
Total OPEB liability - ending (a)	\$ 34,865,258	\$ 34,976,356	\$ 36,286,025	\$ 44,238,462	\$ 46,512,235
Covered-employee payroll	\$ 13,203,606	\$ 13,547,474	\$ 11,487,256	\$ 10,998,667	\$ 10,708,319
Plan net OPEB liability as a percentage of covered-employee payroll	264.06%	258.18%	315.88%	402.22%	434.36%

Notes to Schedule

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

¹ Information only presented from the implementation year

Change of assumptions:

June 30, 2020, discount rate was updated based on municipal bond rate and ACA Excise Tax removed

June 30, 2021, discount rate has decreased from 2.21% to 2.16% based on updated municipal bond index

June 30, 2022, discount rate has increased from 2.16% to 3.54% based on updated municipal bond index

June 30, 2023, discount rate has increased from 3.54% to 3.86% based on updated municipal bond index

June 30, 2024, discount rate has increased from 3.86% to 4.09% based on updated municipal bond index

City of Pinole
Required Supplementary Information
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Year Ended June 30, 2025

Measurement period, year ending:	<u>6/30/2019</u>	<u>6/30/2018 ¹</u>
Total OPEB liability		
Service cost	\$ 1,227,488	\$ 1,274,335
Interest	1,391,794	1,298,734
Changes of benefit terms	-	-
Differences between expected and actual experience	(2,333,030)	-
Changes of assumptions	1,956,937	(1,655,481)
Benefit payments, including refunds of member contributions	(1,199,486)	(1,169,676)
Implicit Subsidy Credit	-	-
Change in total OPEB liability	<u>1,043,703</u>	<u>(252,088)</u>
Total OPEB liability - beginning	<u>35,335,912</u>	<u>35,588,000</u>
Total OPEB liability - ending (a)	<u><u>\$ 36,379,615</u></u>	<u><u>\$ 35,335,912</u></u>
Covered-employee payroll	\$ 10,199,027	\$ 9,399,404
Plan net OPEB liability as a percentage of covered-employee payroll	356.70%	375.94%

Notes to Schedule

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

¹ Information only presented from the implementation year

Change of assumptions:

June 30, 2020, discount rate was updated based on municipal bond rate and ACA Excise Tax removed

June 30, 2021, discount rate has decreased from 2.21% to 2.16% based on updated municipal bond index

June 30, 2022, discount rate has increased from 2.16% to 3.54% based on updated municipal bond index

June 30, 2023, discount rate has increased from 3.54% to 3.86% based on updated municipal bond index

June 30, 2024, discount rate has increased from 3.86% to 4.09% based on updated municipal bond index

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SUPPLEMENTARY INFORMATION

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Non-Major Governmental Funds

Capital Projects Funds:

Public Works Capital Projects Fund - This fund is used to account for financial resources that are restricted, committed, or assigned for expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Special Revenue Funds:

Growth Impact Fund - This fund is used to account for development fees collected to mitigate the impact of new development. Specifically, it provides for the expansion, design, construction, or upgrade to facilities, roadways, and equipment. The City collects impact fees for police, fire protection, municipal, community, water, roadways and drainage.

Gas Tax Fund - This fund is used to account for the receipt and subsequent expenditure of the City's share of the State levied tax on gasoline and other vehicle fuels.

Parkland Dedication Fund - This fund is used to account for development fees collected to mitigate the impact of new development on parks and open space.

Measure C Fund - This fund is used to account for special override sales tax revenues collected by the Contra Costa Transportation Authority (CCTA) and reapportioned to the cities for local street projects.

Storm Water Fund - This fund is used to account for moneys received from the Contra Costa County Flood Control and Water Conservation District for use in funding the National Pollutant Discharge Elimination System Program and Drainage System Maintenance activities.

Refuse Management Fund - This fund is used to account for funds received from Republic Services, Inc. from a surcharge it assesses on customer rates for solid waste services.

Adjudicated Asset Seizure Fund - This fund is used to account for receipt and subsequent expenditure of various asset seizure moneys.

Police Fund - This fund is used to account for various grants received to augment law enforcement services and traffic safety.

Cable TV Fund - This fund is used to account for revenues and expenditures related to the operation of the Pinole Community Television (PCTV). Revenue is received from video production charges to other cities, Public, Educational, and Governmental (PEG) access fees and the General Fund. PEG fees are designated for equipment purchases.

Recreation Fund - This fund is used to account for program fees, fundraising proceeds, and donations for Recreation programs. Resources are used towards staffing and maintenance costs to operate the programs.

Rate Stabilization Fund - This fund is used to account for funds received from Republic Services, Inc. from a surcharge it assesses on customer rates for solid waste services. The portion in of revenue allocated to this fund is set aside as a rate stabilization fund.

Development Services Fund - This fund is used to account for developer deposits.

Solid Waste Fund - This fund is used to account for funds received from Republic Services, Inc. from a surcharge it assesses on customer rates for solid waste services. These funds are set aside for future solid waste capital projects and for a rate stabilization fund. This fund accounts for the capital projects portion.

Non-Major Governmental Funds (Continued)

Special Revenue Funds (Continued):

CASP Certification and Training Fund - This fund is used to account for moneys collected from business license applicants. The funds will be used for increased certified access specialists (CASP) training and certification and to facilitate compliance with construction-related accessibility requirements.

City of Pinole
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2025

	Capital Projects Fund	Special Revenue Funds			
	Public Works Capital Projects	Growth Impact	Gas Tax	Parkland Dedication	Measure C
ASSETS					
Cash and investments	\$ 4,590,288	\$ 3,500,843	\$ 2,083,857	\$ 122	\$ 2,443,871
Accounts receivable	-	-	136,368	-	-
Lease receivable	-	-	-	-	-
Interest receivable	403	25,517	14,459	-	18,000
Prepaid items and supplies	-	-	-	-	315,552
Total assets	<u>\$ 4,590,691</u>	<u>\$ 3,526,360</u>	<u>\$ 2,234,684</u>	<u>\$ 122</u>	<u>\$ 2,777,423</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	52,197	64,176	46,584	-	-
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	82,515	-	-	-	-
Total liabilities	<u>134,712</u>	<u>64,176</u>	<u>46,584</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Nonspendable	-	-	-	-	315,552
Restricted	-	3,462,184	2,188,100	122	2,461,871
Assigned	4,455,979	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	<u>4,455,979</u>	<u>3,462,184</u>	<u>2,188,100</u>	<u>122</u>	<u>2,777,423</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,590,691</u>	<u>\$ 3,526,360</u>	<u>\$ 2,234,684</u>	<u>\$ 122</u>	<u>\$ 2,777,423</u>

(Continued)

City of Pinole
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2025

Special Revenue Funds

	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police	Cable TV
ASSETS					
Cash and investments	\$ -	\$ -	\$ 20,988	\$ 734,161	\$ 1,278
Accounts receivables	14,204	10,043	-	62,976	24,243
Lease receivable	-	-	-	-	-
Interest receivable	49	-	150	5,309	-
Prepaid items and supplies	-	-	-	-	-
Total assets	\$ 14,253	\$ 10,043	\$ 21,138	\$ 802,446	\$ 25,521
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	2,363	-	884	7,456	11,609
Accrued liabilities	-	-	-	-	8,070
Unearned revenue	-	-	-	-	-
Deposits payable	4,000	-	-	-	-
Due to other funds	341,623	43,520	-	-	-
Total liabilities	347,986	43,520	884	7,456	19,679
Deferred inflows of resources:					
Unavailable revenue	-	-	-	18,628	6,524
Total deferred inflows of resources	-	-	-	18,628	6,524
Fund Balances (Deficits):					
Nonspendable	-	-	-	-	-
Restricted	-	-	20,254	776,362	-
Assigned	-	-	-	-	-
Unassigned (deficit)	(333,733)	(33,477)	-	-	(682)
Total fund balances (deficits)	(333,733)	(33,477)	20,254	776,362	(682)
Total liabilities, deferred inflows of resources, and fund balances	\$ 14,253	\$ 10,043	\$ 21,138	\$ 802,446	\$ 25,521

(Continued)

City of Pinole
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2025

	Special Revenue Funds				
	Recreation	Rate Stabilization	Development Services	Solid Waste Fund	CASP Certification & Training
ASSETS					
Cash and investments	\$ 8,763	\$ 225,582	\$ 73,804	\$ 3,184,891	\$ 56,902
Accounts receivables	43,108	-	-	119,952	-
Lease receivable	11,386	-	-	-	-
Interest receivable	-	1,633	534	22,987	-
Prepaid items and supplies	5,000	-	-	-	-
Total assets	\$ 68,257	\$ 227,215	\$ 74,338	\$ 3,327,830	\$ 56,902
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	37,971	-	7,582	20,938	71
Accrued liabilities	26,084	-	-	-	-
Unearned revenue	58	-	-	-	-
Deposits payable	22,524	-	59,121	-	-
Due to other funds	-	-	-	-	-
Total liabilities	86,637	-	66,703	20,938	71
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances (Deficits):					
Nonspendable	5,000	-	-	-	-
Restricted	-	227,215	7,635	3,306,892	56,831
Assigned	-	-	-	-	-
Unassigned (deficit)	(23,380)	-	-	-	-
Total fund balances (deficits)	(18,380)	227,215	7,635	3,306,892	56,831
Total liabilities, deferred inflows of resources, and fund balances	\$ 68,257	\$ 227,215	\$ 74,338	\$ 3,327,830	\$ 56,902

(Continued)

City of Pinole
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2025

	<u>Total</u>
	<u>Nonmajor Governmental Funds</u>
ASSETS	
Cash and investments	\$ 16,925,350
Accounts receivables	410,894
Lease receivable	11,386
Interest receivable	89,041
Prepaid items and supplies	320,552
Total assets	<u><u>\$ 17,757,223</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities:	
Accounts payable	251,831
Accrued liabilities	34,154
Unearned revenue	58
Deposits payable	85,645
Due to other funds	467,658
Total liabilities	<u>839,346</u>
Deferred inflows of resources:	
Unavailable revenue	25,152
Total deferred inflows of resources	<u>25,152</u>
Fund Balances (Deficits):	
Nonspendable	320,552
Restricted	12,507,466
Assigned	4,455,979
Unassigned (deficit)	(391,272)
Total fund balances (deficits)	<u>16,892,725</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 17,757,223</u></u>

City of Pinole
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects Fund	Special Revenue Funds			
	Public Works Capital Projects	Growth Impact	Gas Tax	Parkland Dedication	Measure C
REVENUES:					
Taxes and assessments	\$ 59,561	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	190,167	-	1,050,778	-	552,403
Investment earnings	176	178,624	93,339	6	113,177
Rents and ground leases	-	-	-	-	-
Charges for services	383	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Other revenues	-	-	49,432	-	-
Total revenues	250,287	178,624	1,193,549	6	665,580
EXPENDITURES:					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	36,786	-	594,441	-	233,523
Recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	114,282	220,000	68	-	11,828
Total expenditures	151,068	220,000	594,509	-	245,351
Excess (deficiency) of revenues over expenditures	99,219	(41,376)	599,040	6	420,229
OTHER FINANCING SOURCES:					
Transfers in	500,000	-	-	-	-
Total other financing sources	500,000	-	-	-	-
NET CHANGES IN FUND BALANCES	599,219	(41,376)	599,040	6	420,229
FUND BALANCES (DEFICITS):					
Beginning of year	3,856,760	3,503,560	1,589,060	116	2,357,194
End of year	\$ 4,455,979	\$ 3,462,184	\$ 2,188,100	\$ 122	\$ 2,777,423

(Continued)

City of Pinole
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				
	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police	Cable TV
REVENUES:					
Taxes and assessments	\$ 232,332	\$ -	\$ -	\$ 233,909	\$ 13,567
Intergovernmental revenues	-	66,971	-	194,663	-
Investment earnings	147	90	1,027	39,354	-
Rents and ground leases	-	-	-	-	-
Charges for services	-	-	-	-	160,459
Fines, forfeitures and penalties	-	-	392	19,078	-
Other revenues	-	-	-	-	150
Total revenues	232,479	67,061	1,419	487,004	174,176
EXPENDITURES:					
Current:					
General administration	-	-	-	-	513,656
Public safety	-	-	-	612,976	-
Public works	442,586	131,958	-	775	-
Recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	-	122,365	97,612
Total expenditures	442,586	131,958	-	736,116	611,268
Excess (deficiency) of revenues over expenditures	(210,107)	(64,897)	1,419	(249,112)	(437,092)
OTHER FINANCING SOURCES:					
Transfers in	-	-	-	-	434,289
Total other financing sources	-	-	-	-	434,289
NET CHANGES IN FUND BALANCES	(210,107)	(64,897)	1,419	(249,112)	(2,803)
FUND BALANCES (DEFICITS):					
Beginning of year	(123,626)	31,420	18,835	1,025,474	2,121
End of year	<u>\$ (333,733)</u>	<u>\$ (33,477)</u>	<u>\$ 20,254</u>	<u>\$ 776,362</u>	<u>\$ (682)</u>

(Continued)

City of Pinole
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds				
	Recreation	Rate Stabilization	Development Services	Solid Waste Fund	CASP Certification & Training
REVENUES:					
Taxes and assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	41,722	-	-	-	-
Investment earnings	-	11,168	3,654	155,294	-
Rents and ground leases	56,624	-	-	-	-
Charges for services	561,301	-	-	-	7,790
Fines, forfeitures and penalties	-	-	-	-	-
Other revenues	187,786	-	-	476,894	-
Total revenues	847,433	11,168	3,654	632,188	7,790
EXPENDITURES:					
Current:					
General administration	8,049	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	241,110	-
Recreation	2,141,278	-	-	-	-
Community development	-	-	-	-	398
Capital outlay	223,651	-	-	-	-
Total expenditures	2,372,978	-	-	241,110	398
Excess (deficiency) of revenues over expenditures	(1,525,545)	11,168	3,654	391,078	7,392
OTHER FINANCING SOURCES:					
Transfers in	1,520,969	-	-	-	-
Total other financing sources	1,520,969	-	-	-	-
NET CHANGES IN FUND BALANCES	(4,576)	11,168	3,654	391,078	7,392
FUND BALANCES (DEFICITS):					
Beginning of year	(13,804)	216,047	3,981	2,915,814	49,439
End of year	<u>\$ (18,380)</u>	<u>\$ 227,215</u>	<u>\$ 7,635</u>	<u>\$ 3,306,892</u>	<u>\$ 56,831</u>

(Continued)

City of Pinole
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Total
	Nonmajor Funds Total
REVENUES:	
Taxes and assessments	\$ 539,369
Intergovernmental revenues	2,096,704
Investment earnings	596,056
Rents and ground leases	56,624
Charges for services	729,933
Fines, forfeitures and penalties	19,470
Other revenues	714,262
Total revenues	4,752,418
EXPENDITURES:	
Current:	
General administration	521,705
Public safety	612,976
Public works	1,681,179
Recreation	2,141,278
Community development	398
Capital outlay	789,806
Total expenditures	5,747,342
Excess (deficiency) of revenues over expenditures	(994,924)
OTHER FINANCING SOURCES:	
Transfers in	2,455,258
Total other financing sources	2,455,258
NET CHANGES IN FUND BALANCES	1,460,334
FUND BALANCES (DEFICITS):	
Beginning of year	15,432,391
End of year	\$ 16,892,725

City of Pinole
Budgetary Comparison Schedule
Public Works Capital Projects
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Taxes and assessments	\$ 56,411	\$ 56,411	\$ 59,561	\$ 3,150
Intergovernmental revenues	1,814,683	1,814,683	190,167	(1,624,516)
Investment earnings	-	-	176	176
Rents and ground leases	15,000	15,000	-	(15,000)
Charges for services	-	-	383	383
Other revenues	7,500	7,500	-	(7,500)
Total revenues	1,893,594	1,893,594	250,287	(1,643,307)
EXPENDITURES:				
Current:				
Public works	194,397	194,397	36,786	157,611
Capital outlay	4,558,024	4,558,024	114,282	4,443,742
Total expenditures	4,752,421	4,752,421	151,068	4,601,353
Excess (deficiency) of revenues over expenditures	(2,858,827)	(2,858,827)	99,219	2,958,046
OTHER FINANCING SOURCES:				
Transfers in	500,000	500,000	500,000	-
Total other financing sources	500,000	500,000	500,000	-
NET CHANGE IN FUND BALANCE	\$ (2,358,827)	\$ (2,358,827)	599,219	\$ 2,958,046
FUND BALANCE:				
Beginning of year			3,856,760	
End of year			<u>\$ 4,455,979</u>	

City of Pinole
Budgetary Comparison Schedule
Growth Impact Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 178,624	\$ 178,624
Charges for services	1,039,594	-	-	-
Total revenues	<u>1,039,594</u>	<u>-</u>	<u>178,624</u>	<u>178,624</u>
EXPENDITURES:				
Current:				
Capital outlay	1,623,000	1,623,000	220,000	1,403,000
Total expenditures	<u>1,623,000</u>	<u>1,623,000</u>	<u>220,000</u>	<u>1,403,000</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (583,406)</u></u>	<u><u>\$ (1,623,000)</u></u>	<u>(41,376)</u>	<u><u>\$ 1,581,624</u></u>
FUND BALANCE:				
Beginning of year			<u>3,503,560</u>	
End of year			<u><u>\$ 3,462,184</u></u>	

City of Pinole
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental revenues	\$ 1,033,764	\$ 1,033,764	\$ 1,050,778	\$ 17,014
Investment earnings	5,000	5,000	93,339	88,339
Other revenues	7,636	7,636	49,432	41,796
Total revenues	1,046,400	1,046,400	1,193,549	147,149
EXPENDITURES:				
Current:				
Public works	572,107	572,107	594,441	(22,334)
Capital outlay	1,631,082	1,631,082	68	1,631,014
Total expenditures	2,203,189	2,203,189	594,509	1,608,680
NET CHANGE IN FUND BALANCE	\$ (1,156,789)	\$ (1,156,789)	599,040	\$ 1,755,829
FUND BALANCE:				
Beginning of year			1,589,060	
End of year			<u>\$ 2,188,100</u>	

City of Pinole
Budgetary Comparison Schedule
Parkland Dedication Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
Total revenues	-	-	6	6
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	6	<u>\$ 6</u>
FUND BALANCE:				
Beginning of year			116	
End of year			<u>\$ 122</u>	

City of Pinole
Budgetary Comparison Schedule
Measure C Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental revenues	\$ 1,144,257	\$ 1,144,257	\$ 552,403	\$ (591,854)
Investment earnings	8,000	8,000	113,177	105,177
Total revenues	<u>1,152,257</u>	<u>1,152,257</u>	<u>665,580</u>	<u>(486,677)</u>
EXPENDITURES:				
Current:				
Public works	283,476	283,476	233,523	49,953
Capital outlay	1,421,650	1,421,650	11,828	1,409,822
Total expenditures	<u>1,705,126</u>	<u>1,705,126</u>	<u>245,351</u>	<u>1,459,775</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (552,869)</u></u>	<u><u>\$ (552,869)</u></u>	420,229	<u><u>\$ 973,098</u></u>
FUND BALANCE:				
Beginning of year			<u>2,357,194</u>	
End of year			<u><u>\$ 2,777,423</u></u>	

City of Pinole
Budgetary Comparison Schedule
Storm Water Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Taxes and assessments	\$ 253,272	\$ 253,272	\$ 232,332	\$ (20,940)
Investment earnings	-	-	147	147
Total revenues	<u>253,272</u>	<u>253,272</u>	<u>232,479</u>	<u>(20,793)</u>
EXPENDITURES:				
Current:				
Public works	379,829	379,829	442,586	(62,757)
Total expenditures	<u>379,829</u>	<u>379,829</u>	<u>442,586</u>	<u>(62,757)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (126,557)</u>	<u>\$ (126,557)</u>	(210,107)	<u>\$ (83,550)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(123,626)	
End of year			<u>\$ (333,733)</u>	

City of Pinole
Budgetary Comparison Schedule
Refuse Management Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental revenues	\$ 60,060	\$ 60,060	\$ 66,971	\$ 6,911
Investment earnings	6,000	6,000	90	(5,910)
Total revenues	66,060	66,060	67,061	1,001
EXPENDITURES:				
Current:				
Public works	187,102	187,102	131,958	55,144
Total expenditures	187,102	187,102	131,958	55,144
NET CHANGE IN FUND BALANCE	\$ (121,042)	\$ (121,042)	(64,897)	\$ 56,145
FUND BALANCE (DEFICIT):				
Beginning of year			31,420	
End of year			\$ (33,477)	

City of Pinole
Budgetary Comparison Schedule
Adjudicated Asset Seizure Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 1,027	\$ 1,027
Fines, forfeitures and penalties	-	-	392	392
Total revenues	-	-	1,419	1,419
EXPENDITURES:				
Current:				
Public safety	20,544	20,544	-	20,544
Total expenditures	20,544	20,544	-	20,544
NET CHANGE IN FUND BALANCE	<u>\$ (20,544)</u>	<u>\$ (20,544)</u>	1,419	<u>\$ 21,963</u>
FUND BALANCE:				
Beginning of year			18,835	
End of year			<u>\$ 20,254</u>	

City of Pinole
Budgetary Comparison Schedule
Police Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Taxes and assessments	\$ 239,855	\$ 239,855	\$ 233,909	\$ (5,946)
Intergovernmental revenues	165,000	165,000	194,663	29,663
Investment earnings	21,500	21,500	39,354	17,854
Fines, forfeitures and penalties	45,000	45,000	19,078	(25,922)
Total revenues	471,355	471,355	487,004	15,649
EXPENDITURES:				
Current:				
Public safety	598,887	599,587	612,976	(13,389)
Public works	35,000	35,000	775	34,225
Capital outlay	264,333	263,633	122,365	141,268
Total expenditures	898,220	898,220	736,116	162,104
NET CHANGE IN FUND BALANCE	\$ (426,865)	\$ (426,865)	(249,112)	\$ 177,753
FUND BALANCE:				
Beginning of year			1,025,474	
End of year			<u>\$ 776,362</u>	

City of Pinole
Budgetary Comparison Schedule
Cable TV Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Taxes and assessments	\$ 26,486	\$ 26,486	\$ 13,567	\$ (12,919)
Charges for services	179,047	179,047	160,459	(18,588)
Other revenues	3,000	3,000	150	(2,850)
Total revenues	208,533	208,533	174,176	(34,357)
EXPENDITURES:				
Current:				
General administration	624,463	599,463	513,656	85,807
Capital outlay	205,000	149,420	97,612	51,808
Total expenditures	829,463	748,883	611,268	137,615
Excess (deficiency) of revenues over expenditures	(620,930)	(540,350)	(437,092)	103,258
OTHER FINANCING SOURCES:				
Transfers in	160,000	434,289	434,289	-
Total other financing sources	160,000	434,289	434,289	-
NET CHANGE IN FUND BALANCE	\$ (460,930)	\$ (106,061)	(2,803)	\$ 103,258
FUND BALANCE (DEFICIT):				
Beginning of year			2,121	
End of year			<u>\$ (682)</u>	

City of Pinole
Budgetary Comparison Schedule
Recreation Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Intergovernmental revenues	\$ 81,983	\$ 81,983	\$ 41,722	\$ (40,261)
Rents and ground leases	19,013	19,013	56,624	37,611
Charges for services	367,860	367,860	561,301	193,441
Other revenues	35,500	212,550	187,786	(24,764)
Total revenues	504,356	681,406	847,433	166,027
EXPENDITURES:				
Current:				
General administration	7,500	7,500	8,049	(549)
Recreation	2,275,756	2,339,756	2,141,278	198,478
Capital outlay	97,000	264,050	223,651	40,399
Total expenditures	2,380,256	2,611,306	2,372,978	238,328
Excess (deficiency) of revenues over expenditures	(1,875,900)	(1,929,900)	(1,525,545)	404,355
OTHER FINANCING SOURCES:				
Transfers in	751,300	1,520,969	1,520,969	-
Total other financing sources	751,300	1,520,969	1,520,969	-
NET CHANGE IN FUND BALANCE	\$ (1,124,600)	\$ (408,931)	(4,576)	\$ 404,355
FUND BALANCE (DEFICIT):				
Beginning of year			(13,804)	
End of year			<u>\$ (18,380)</u>	

City of Pinole
Budgetary Comparison Schedule
Rate Stabilization Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable/ (Unfavorable)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 11,168	\$ 11,168
Total revenues	-	-	11,168	11,168
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	11,168	<u>\$ 11,168</u>
FUND BALANCE:				
Beginning of year			216,047	
End of year			<u>\$ 227,215</u>	

City of Pinole
Budgetary Comparison Schedule
Development Services Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 3,654	\$ 3,654
Total revenues	-	-	3,654	3,654
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	3,654	<u>\$ 3,654</u>
FUND BALANCE:				
Beginning of year			<u>3,981</u>	
End of year			<u>\$ 7,635</u>	

City of Pinole
Budgetary Comparison Schedule
Solid Waste Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Investment earnings	8,000	8,000	155,294	147,294
Other revenues	360,000	360,000	476,894	116,894
Total revenues	368,000	368,000	632,188	264,188
EXPENDITURES:				
Current:				
Public works	173,666	173,666	241,110	(67,444)
Total expenditures	173,666	173,666	241,110	(67,444)
NET CHANGE IN FUND BALANCE	\$ 194,334	\$ 194,334	391,078	\$ 196,744
FUND BALANCE:				
Beginning of year			2,915,814	
End of year			\$ 3,306,892	

City of Pinole
Budgetary Comparison Schedule
CASP Certification & Training Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable/ (Unfavorable)
REVENUES:				
Charges for services	\$ -	\$ -	\$ 7,790	\$ 7,790
Total revenues	<u>-</u>	<u>-</u>	<u>7,790</u>	<u>7,790</u>
EXPENDITURES:				
Current:				
Community development	-	-	398	(398)
Total expenditures	<u>-</u>	<u>-</u>	<u>398</u>	<u>(398)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	7,392	<u>\$ 7,392</u>
FUND BALANCE:				
Beginning of year			49,439	
End of year			<u>\$ 56,831</u>	

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FIDUCIARY FUNDS

Custodial Funds:

Unadjudicated Asset Seizure Fund - This fund is used to account for receipt of various asset seizure moneys awaiting adjudication.

Developer Fees - This fund is used to account for receipt of developer deposits.

Pinole Public School Fund - This fund is used to account for receipt and subsequent expenditure of donations to fund public school projects or programs.

Community Assistance Program Fund - This fund is used to account for receipt and subsequent expenditure of donations for community assistance programs or events.

Police Evidence Fund - This fund is used to account for moneys collected as police evidence.

City of Pinole
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Unadjudicated Asset Seizure Fund	Developer Fees Fund
ASSETS		
Cash and investments	\$ 27,755	\$ 4,869
Interest receivable	201	-
Total assets	27,956	4,869
LIABILITIES		
Accounts payable	11,449	-
Deposit payable	-	-
Unearned Revenue	-	-
Total liabilities	11,449	-
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	16,507	4,869
Total net position	\$ 16,507	\$ 4,869

City of Pinole
Combining Statement of Fiduciary Net Position (Continued)
Custodial Funds
June 30, 2025

	Pinole Public School Funds	Community Assistance Program Fund	Police Evidence Fund	Total
ASSETS				
Cash and investments	\$ 1,945	\$ 28,945	\$ 139,965	\$ 203,479
Interest receivable	14	-	-	215
Total assets	1,959	28,945	139,965	203,694
LIABILITIES				
Accounts payable	-	2,648	-	14,097
Deposit payable	-	-	139,721	139,721
Unearned Revenue	-	26,297	-	26,297
Total liabilities	-	28,945	139,721	180,115
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	1,959	-	244	23,579
Total net position	\$ 1,959	\$ -	\$ 244	\$ 23,579

City of Pinole
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025

	Unadjudicated Asset Seizure Fund	Developer Fees Fund
ADDITIONS:		
Investment income	\$ 1,373	\$ -
Total additions	<u>1,373</u>	<u>-</u>
Change in net position	1,373	-
NET POSITION:		
Beginning of year	15,134	4,869
End of year	<u>\$ 16,507</u>	<u>\$ 4,869</u>

City of Pinole
Combining Statement of Changes in Fiduciary Net Position (Continued)
Custodial Funds
For the Year Ended June 30, 2025

	Pinole Public School Funds	Community Assistance Program Fund	Police Evidence Fund	Total Custodial Funds
ADDITIONS:				
Investment income	\$ 96	\$ -	\$ 11	\$ 1,480
Total additions	<u>96</u>	<u>-</u>	<u>11</u>	<u>1,480</u>
Change in net position	96	-	11	1,480
NET POSITION:				
Beginning of year	1,863	-	233	22,099
End of year	<u>\$ 1,959</u>	<u>\$ -</u>	<u>\$ 244</u>	<u>\$ 23,579</u>

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STATISTICAL SECTION
(Unaudited)

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City of Pinole
Statistical Section
For the Year Ended June 30, 2025

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City of Pinole
Net Position by Component
Last Ten Fiscal Years

	2016	2017	2018	2019	2020
<i>Governmental activities</i>					
Net investment in capital assets	\$ 33,764,294	\$ 32,700,833	\$ 31,758,414	\$ 29,977,958	\$ 30,774,116
Restricted	2,591,393	17,755,625	17,938,328	31,048,458	32,045,457
Unrestricted (deficit)	(17,014,950)	(31,148,654)	(34,044,994)	(41,104,957)	(41,984,038)
Total governmental activities net position	<u>\$ 19,340,737</u>	<u>\$ 19,307,804</u>	<u>\$ 15,651,748</u>	<u>\$ 19,921,459</u>	<u>\$ 20,835,535</u>
<i>Business-type activities</i>					
Net investment in capital assets	\$ 13,869,394	\$ 14,364,860	\$ 13,381,134	\$ 13,088,528	\$ 12,452,490
Unrestricted	4,584,135	5,649,110	6,241,700	7,883,837	10,243,444
Total business-type activities net position	<u>\$ 18,453,529</u>	<u>\$ 20,013,970</u>	<u>\$ 19,622,834</u>	<u>\$ 20,972,365</u>	<u>\$ 22,695,934</u>
<i>Primary government</i>					
Net investment in capital assets	\$ 47,633,688	\$ 47,065,693	\$ 45,139,548	\$ 43,066,486	\$ 43,226,606
Restricted	2,591,393	17,755,625	17,938,328	31,048,458	32,045,457
Unrestricted (deficit)	(12,430,815)	(25,499,544)	(27,803,294)	(33,221,120)	(31,740,594)
Total primary government net position	<u>\$ 37,794,266</u>	<u>\$ 39,321,774</u>	<u>\$ 35,274,582</u>	<u>\$ 40,893,824</u>	<u>\$ 43,531,469</u>

Source: City of Pinole Finance

*For the fiscal year ended June 30, 2025, the City implemented GASB Statement no. 101, Compensated Absences. The implementation of GASB 101 resulted in a change in accounting principle, and prior year amounts have been restated accordingly.

City of Pinole
Net Position by Component (Continued)
Last Ten Fiscal Years

	2021	2022	2023	2024	2025
<i>Governmental activities</i>					
Net investment in capital assets	\$ 31,008,808	\$ 31,695,972	\$ 30,207,077	\$ 30,973,001	\$ 30,299,344
Restricted	33,528,931	34,342,971	29,854,090	29,675,938	29,261,144
Unrestricted (deficit)	(44,487,476)	(52,223,172)	(39,009,363)	(43,775,850)	(48,107,516)
Total governmental activities net position	<u>\$ 20,050,263</u>	<u>\$ 13,815,771</u>	<u>\$ 21,051,804</u>	<u>\$ 16,873,089</u>	<u>\$ 11,452,972</u>
<i>Business-type activities</i>					
Net investment in capital assets	\$ 12,783,593	\$ 12,863,679	\$ 7,718,239	\$ 7,975,522	\$ 11,802,776
Unrestricted	10,795,126	11,022,842	12,544,816	14,072,542	12,407,690
Total business-type activities net position	<u>\$ 23,578,719</u>	<u>\$ 23,886,521</u>	<u>\$ 20,263,055</u>	<u>\$ 22,048,064</u>	<u>\$ 24,210,466</u>
<i>Primary government</i>					
Net investment in capital assets	\$ 43,792,401	\$ 44,559,651	\$ 37,925,316	\$ 38,948,523	\$ 42,102,120
Restricted	33,528,931	34,342,971	29,854,090	29,675,938	29,261,144
Unrestricted (deficit)	(33,692,350)	(41,200,330)	(26,464,547)	(29,703,308)	(35,699,826)
Total primary government net position	<u>\$ 43,628,982</u>	<u>\$ 37,702,292</u>	<u>\$ 41,314,859</u>	<u>\$ 38,921,153</u>	<u>\$ 35,663,438</u>

City of Pinole
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2016	2017	2018	2019	2020
Expenses					
Governmental Activities:					
General government	\$ 4,368,671	\$ 5,952,688	\$ 3,482,534	\$ 4,931,705	\$ 4,596,909
Public safety	10,086,963	10,326,947	12,202,527	12,060,171	14,937,597
Public services	3,878,498	2,568,265	3,217,759	3,416,574	3,488,882
Recreation	1,067,952	1,151,760	1,145,227	1,069,375	1,146,587
Community development	1,184,385	1,065,848	1,642,031	2,338,177	1,365,580
Interest and fiscal changes	305,569	338,507	331,464	287,729	304,844
Total government activity expenses	\$ 20,892,038	\$ 21,404,015	\$ 22,021,542	\$ 24,103,731	\$ 25,840,399
Business-type activities:					
Wastewater utility	5,316,022	4,597,454	5,193,994	4,930,113	5,704,747
Total business-type activities expenses	5,316,022	4,597,454	5,193,994	4,930,113	5,704,747
Total primary government expenses	<u>\$ 26,208,060</u>	<u>\$ 26,001,469</u>	<u>\$ 27,215,536</u>	<u>\$ 29,033,844</u>	<u>\$ 31,545,146</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 236,512	\$ 354,357	\$ 648,409	\$ 643,524	\$ 678,065
Public safety	461,330	640,785	1,435,741	1,186,008	1,388,295
Public services	545,273	310,073	153,810	169,758	66,676
Recreation	871,497	783,783	846,822	770,397	501,860
Community development	244,449	162,634	1,153,907	2,368,209	736,346
Operating grants and contributions	1,464,456	227,184	11,483,081	2,136,212	1,790,729
Capital grants and contributions	1,094,371	1,262,813	-	-	-
Total governmental program revenues	<u>4,917,888</u>	<u>3,741,629</u>	<u>15,721,770</u>	<u>7,274,108</u>	<u>5,161,971</u>
Business-type activities:					
Charges for services:					
Wastewater utility	7,541,964	6,315,563	6,524,537	7,211,834	7,093,734
Capital grants and contributions	-	-	-	-	-
Total business-type program revenues	<u>7,541,964</u>	<u>6,315,563</u>	<u>6,524,537</u>	<u>7,211,834</u>	<u>7,093,734</u>
Total primary government program revenues	<u>\$ 12,459,852</u>	<u>\$ 10,057,192</u>	<u>\$ 22,246,307</u>	<u>\$ 14,485,942</u>	<u>\$ 12,255,705</u>
Net (Expense)/Revenue					
Net (Expense)/Revenue Governmental	(15,974,150)	(17,662,386)	(6,299,772)	(16,829,623)	(20,678,428)
Net (Expense)/Revenue Business-type	2,225,942	1,718,109	1,330,543	2,281,721	1,388,987
Total primary government net (Expense)/Revenue	<u>(13,748,208)</u>	<u>(15,944,277)</u>	<u>(4,969,229)</u>	<u>(14,547,902)</u>	<u>(19,289,441)</u>
General revenues and Transfers					
Governmental activities	18,362,326	17,629,453	19,009,791	19,703,801	20,627,635
Business-type activities	20,137	3,570	58,958	129,641	284,574
Total primary government	<u>18,382,463</u>	<u>17,633,023</u>	<u>19,068,749</u>	<u>19,833,442</u>	<u>20,912,209</u>
Change in Net Position					
Governmental activities	2,388,176	(32,933)	12,710,019	2,874,178	(50,793)
Business-type activities	2,246,079	1,721,679	1,389,501	2,411,362	1,673,561
Total primary government	<u>\$ 4,634,255</u>	<u>\$ 1,688,746</u>	<u>\$ 14,099,520</u>	<u>\$ 5,285,540</u>	<u>\$ 1,622,768</u>

Source: City of Pinole Finance

City of Pinole
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

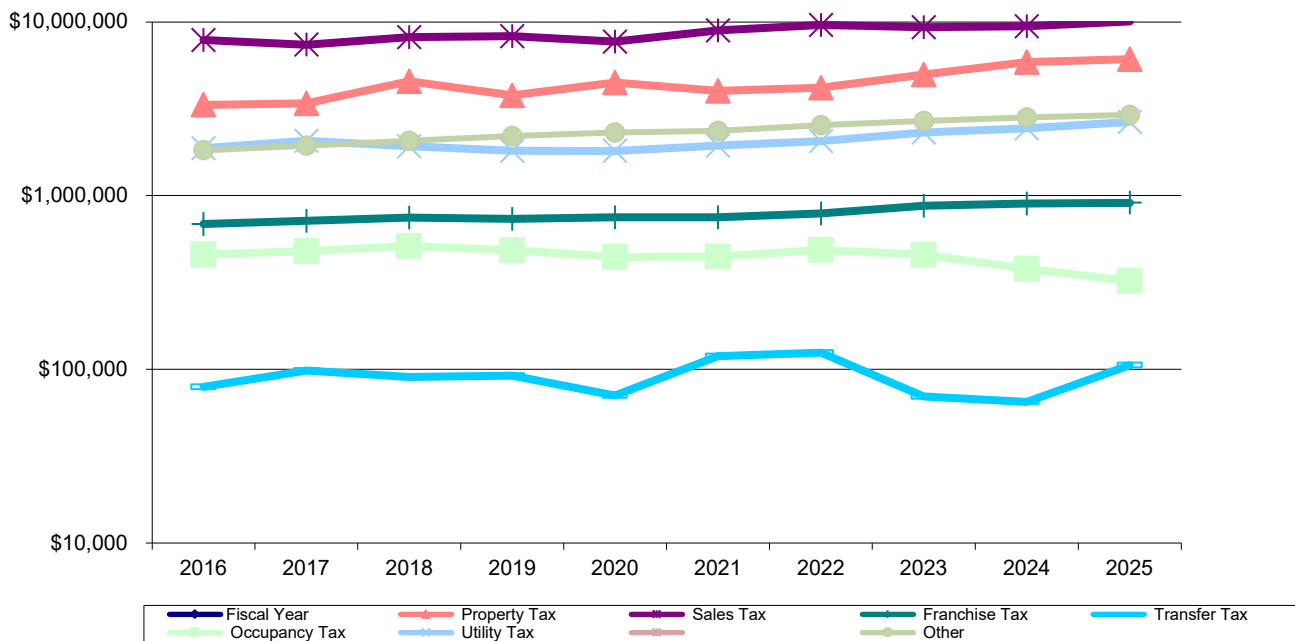
	2021	2022	2023	2024	2025
Expenses					
Governmental Activities:					
General government	\$ 4,957,477	\$ 5,539,414	\$ 4,226,526	\$ 5,439,951	\$ 6,331,078
Public safety	15,895,381	19,255,147	12,985,795	20,226,459	21,039,278
Public services	4,541,157	3,943,251	4,391,992	5,734,403	5,824,745
Recreation	949,734	1,878,342	1,926,541	2,275,235	2,662,821
Community development	1,275,333	2,271,609	2,982,917	2,968,511	2,994,841
Interest and fiscal changes	331,218	388,876	410,766	424,186	440,527
Total government activity expenses	\$ 27,950,300	\$ 33,276,639	\$ 26,924,537	\$ 37,068,745	\$ 39,293,290
Business-type activities:					
Wastewater utility	6,688,530	7,266,212	5,787,622	6,812,685	7,051,724
Total business-type activities expenses	6,688,530	7,266,212	5,787,622	6,812,685	7,051,724
Total primary government expenses	<u>\$ 34,638,830</u>	<u>\$ 40,542,851</u>	<u>\$ 32,712,159</u>	<u>\$ 43,881,430</u>	<u>\$ 46,345,014</u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 686,519	\$ 2,106,826	\$ 936,883	\$ 752,366	\$ 767,359
Public safety	1,440,572	1,925,962	1,840,283	1,908,034	2,017,514
Public services	74,897	739,693	365,748	502,517	479,192
Recreation	172,486	378,787	711,156	481,813	799,884
Community development	503,324	902,764	1,236,488	1,423,431	1,314,599
Operating grants and contributions	1,795,055	2,020,534	5,594,961	2,939,589	3,132,891
Capital grants and contributions	-	712,728	865,743	500,258	461,263
Total governmental program revenues	<u>4,672,853</u>	<u>8,787,294</u>	<u>11,551,262</u>	<u>8,508,008</u>	<u>8,972,702</u>
Business-type activities:					
Charges for services:					
Wastewater utility	7,527,056	7,770,772	7,831,703	8,114,292	8,823,158
Capital grants and contributions	-	-	-	-	-
Total business-type program revenues	<u>7,527,056</u>	<u>7,770,772</u>	<u>7,831,703</u>	<u>8,114,292</u>	<u>8,823,158</u>
Total primary government program revenues	<u>\$ 12,199,909</u>	<u>\$ 16,558,066</u>	<u>\$ 19,382,965</u>	<u>\$ 16,622,300</u>	<u>\$ 17,795,860</u>
Net (Expense)/Revenue					
Net (Expense)/Revenue Governmental	(23,277,447)	(24,489,345)	(15,373,275)	(28,560,737)	(30,320,588)
Net (Expense)/Revenue Business-type	838,526	504,560	2,044,081	1,301,607	1,771,434
Total primary government net (Expense)/Revenue	<u>(22,438,921)</u>	<u>(23,984,785)</u>	<u>(13,329,194)</u>	<u>(27,259,130)</u>	<u>(28,549,154)</u>
General revenues and Transfers					
Governmental activities	22,492,175	18,254,852	22,535,526	24,492,004	25,442,386
Business-type activities	44,259	(196,758)	(174,689)	483,402	454,276
Total primary government	22,536,434	18,058,094	22,360,837	24,975,406	25,896,662
Change in Net Position					
Governmental activities	(785,272)	(6,234,493)	7,162,251	(4,068,733)	(4,878,202)
Business-type activities	882,785	307,802	1,869,392	1,785,009	2,225,710
Total primary government	<u>\$ 97,513</u>	<u>\$ (5,926,691)</u>	<u>\$ 9,031,643</u>	<u>\$ (2,283,724)</u>	<u>\$ (2,652,492)</u>

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City of Pinole

General Fund Tax Revenue by Source

Last Ten Fiscal Years



Fiscal Year	(b)				(a)		(c)	
	Property Tax	Sales Tax	Franchise Tax	Transfer Tax	Occupancy Tax	Utility Tax	Other	Total
2016	\$ 3,333,712	\$ 7,859,195	\$ 687,737	\$ 79,181	\$ 459,393	\$ 1,876,318	\$ 1,826,513	\$ 16,122,050
2017	3,392,870	7,411,905	717,013	98,593	478,940	2,066,623	1,942,511	16,108,455
2018	4,555,300	8,162,816	747,625	90,328	513,368	1,926,796	2,068,842	18,065,075
2019	3,775,074	8,281,048	735,311	91,954	485,499	1,812,844	2,205,899	17,387,628
2020	4,473,828	7,689,917	750,002	70,764	444,453	1,809,832	2,304,932	17,543,727
2021	4,001,411	8,927,361	751,598	119,254	446,105	1,939,726	2,354,617	18,540,071
2022	4,182,262	9,613,625	788,146	124,946	487,687	2,063,773	2,550,587	19,811,026
2023	4,985,909	9,328,351	875,058	69,881	456,288	2,312,830	2,689,580	20,717,898
2024	5,883,627	9,430,219	901,208	65,183	378,622	2,445,715	2,814,056	21,918,629
2025	6,103,492	10,065,999	910,745	105,788	322,889	2,657,156	2,918,168	23,084,237

(a) City of Pinole utility tax went into effect July 1991. This tax was repealed by the voters in November 1997 and reinstated in November 1998, and reaffirmed by voters in November 2004, November 2012, and November 2018.

(b) Voter ratification November 2006 of 1/2-cent local user tax applied to retail sales effective April 2007. Voter ratification November 2014 of additional 1/2-cent local user tax applied to retail sales effective April 2015. Voter ratification November 2024 of additional 1/2-cent local user tax applied to retail sales effective April 2025.

(c) Includes Business License Taxes

Source: City of Pinole Finance

City of Pinole
Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
General Fund					
Nonspendable	\$ 7,275	\$ 6,712	\$ 12,669	\$ 13,178	\$ 463,067
Restricted	-	-	133,586	17,346,090	18,255,487
Assigned	-	-	2,531,677	2,531,677	7,672,065
Committed	-	-	-	-	579,257
Unassigned	9,062,287	11,700,289	23,249,204	14,909,608	10,828,937
Total General Fund	<u>\$ 9,069,562</u>	<u>\$ 11,707,001</u>	<u>\$ 25,927,136</u>	<u>\$ 34,800,553</u>	<u>\$ 37,798,813</u>
All Other Governmental Funds					
Nonspendable	\$ 2,591,393	\$ 6,882,968	\$ -	\$ -	\$ 315,552
Restricted	11,665,834	10,872,657	18,250,952	14,306,945	13,756,009
Assigned	-	-	2,366,429	2,800,614	2,751,350
Committed	-	2,304,515	-	-	-
Unassigned reported in:					
Special revenue funds	4,248,108	(371,162)	(43,673)	(29,052)	(35,900)
Capital project funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 18,505,335</u>	<u>\$ 19,688,978</u>	<u>\$ 20,573,708</u>	<u>\$ 17,078,507</u>	<u>\$ 16,787,011</u>

Source: City of Pinole Finance

City of Pinole
Fund Balances Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2022	2023	2024	2025
General Fund					
Nonspendable	\$ 18,782	\$ 45,296	\$ 243,904	\$ 33,987	\$ 79,756
Restricted	19,623,678	17,271,818	14,775,559	13,718,620	12,559,159
Assigned	7,836,178	8,533,768	-	-	-
Committed	-	-	9,412,029	10,744,838	10,236,705
Unassigned	12,488,562	9,406,554	12,123,654	7,841,433	5,619,093
Total General Fund	<u>\$ 39,967,200</u>	<u>\$ 35,257,436</u>	<u>\$ 36,555,146</u>	<u>\$ 32,338,878</u>	<u>\$ 28,494,713</u>
All Other Governmental Funds					
Nonspendable	\$ 315,552	\$ 315,552	\$ 328,952	\$ 320,552	\$ 320,552
Restricted	13,905,253	17,236,034	18,590,427	19,665,280	20,758,539
Assigned	2,526,571	2,069,093	3,280,685	3,856,760	4,455,979
Committed	-	-	-	-	-
Unassigned reported in:					
Special revenue funds	(137,880)	(600,971)	(1,560,650)	(2,369,110)	(2,937,236)
Capital project funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 16,609,496</u>	<u>\$ 19,019,708</u>	<u>\$ 20,639,414</u>	<u>\$ 21,473,482</u>	<u>\$ 22,597,834</u>

City of Pinole
Changes in Fund Balances Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2016	2017	2018	2019	2020
Revenues					
Taxes	\$ 15,111,374	\$ 15,453,213	\$ 16,599,387	\$ 15,853,006	\$ 15,874,731
Intergovernmental	3,462,621	877,090	1,460,655	2,188,347	1,860,599
Loan repayments	85,849	145,457	15,023	1,656,645	544,892
Contributions	65,317	146,112	30,595	22,746	24,889
Investment earnings	188,790	16,188	88,092	1,529,630	1,790,740
Rents and ground leases	224,952	300,441	303,618	274,153	185,594
Charges for service	3,892,535	3,997,423	5,307,234	4,616,561	4,726,675
Fines, forfeitures and penalties	41,564	48,442	75,670	89,911	68,576
Other revenues	365,857	532,173	834,086	746,909	709,677
Total revenues	23,438,859	21,516,539	24,714,360	26,977,908	25,786,373
Expenditures					
General administration	3,007,506	3,035,822	3,257,220	3,802,406	4,029,981
Public safety	9,635,264	10,067,977	10,535,903	11,801,897	12,975,773
Public services	2,460,827	1,712,315	1,485,090	1,648,377	1,680,617
Recreation	906,302	1,042,006	960,325	1,069,375	1,000,400
Community development	945,646	935,276	1,596,240	1,237,892	1,333,476
Debt service - Principal	369,177	363,151	361,674	356,117	301,709
Debt service - Interest	305,569	338,507	331,464	287,729	304,844
Capital outlay	1,289,967	200,403	1,098,789	1,419,264	1,466,664
Total expenditures	18,920,258	17,695,457	19,626,705	21,623,057	23,093,464
Other financing sources (uses)					
Bond, note and loan proceeds	-	-	-	-	-
Gain (loss) on sale of property	1,909	-	10,017,210	3,140	13,855
Transfers in	446,000	671,364	826,926	7,135,205	1,170,058
Transfers out	(446,000)	(671,364)	(826,926)	(7,135,205)	(1,170,058)
Total other financing sources	1,909	-	10,017,210	3,140	13,855
Net change in fund balance	\$ 4,520,510	\$ 3,821,082	\$ 15,104,865	\$ 5,357,991	\$ 2,706,764
Debt service as a % of noncapital expenditures	3.8%	4.0%	3.7%	3.2%	2.8%

City of Pinole
Changes in Fund Balances Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2021	2022	2023	2024	2025
Revenues					
Taxes	\$ 19,055,833	\$ 20,403,637	\$ 21,782,789	\$ 23,075,158	\$ 24,112,083
Intergovernmental	1,856,343	2,837,951	6,204,016	2,737,265	2,684,890
Loan repayments	107,912	11,658	-	-	-
Contributions	14,274	10,574	-	-	-
Investment earnings	2,888,309	(2,754,154)	1,508,707	2,680,347	2,514,077
Rents and ground leases	131,335	121,141	116,688	111,947	149,842
Charges for service	2,444,899	5,581,014	3,930,060	3,728,715	3,926,550
Fines, forfeitures and penalties	41,236	39,392	52,592	75,765	95,657
Other revenues	541,679	515,174	491,936	590,815	761,060
Total revenues	27,081,820	26,766,387	34,086,788	33,000,012	34,244,159
Expenditures					
General administration	4,319,504	4,775,249	4,800,746	5,081,926	6,087,139
Public safety	13,889,090	15,143,959	17,104,181	18,236,794	19,040,118
Public services	1,448,818	2,448,651	3,069,163	3,985,102	4,117,274
Recreation	820,918	1,573,083	1,930,222	2,192,027	2,550,264
Community development	1,205,200	2,143,148	3,218,011	2,962,260	2,760,662
Debt service - Principal	227,389	244,820	338,125	336,809	348,148
Debt service - Interest	331,218	388,876	401,206	418,148	441,395
Capital outlay	2,932,020	2,627,507	1,447,983	3,185,518	1,747,136
Total expenditures	25,174,157	29,345,293	32,309,637	36,398,584	37,092,136
Other financing sources (uses)					
Bond, note and loan proceeds	-	-	165,695	126,215	126,837
Gain (loss) on sale of property	83,209	279,354	944,424	139	1,327
Transfers in	1,681,841	2,129,233	8,886,672	5,441,907	6,383,746
Transfers out	(1,681,841)	(2,129,233)	(8,886,672)	(5,441,907)	(6,383,746)
Total other financing sources	83,209	279,354	1,110,119	126,354	128,164
Net change in fund balance	\$ 1,990,872	\$ (2,299,552)	\$ 2,887,270	\$ (3,272,218)	\$ (2,719,813)
Debt service as a % of noncapital expenditures	2.5%	2.4%	2.4%	2.3%	2.2%

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City of Pinole
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

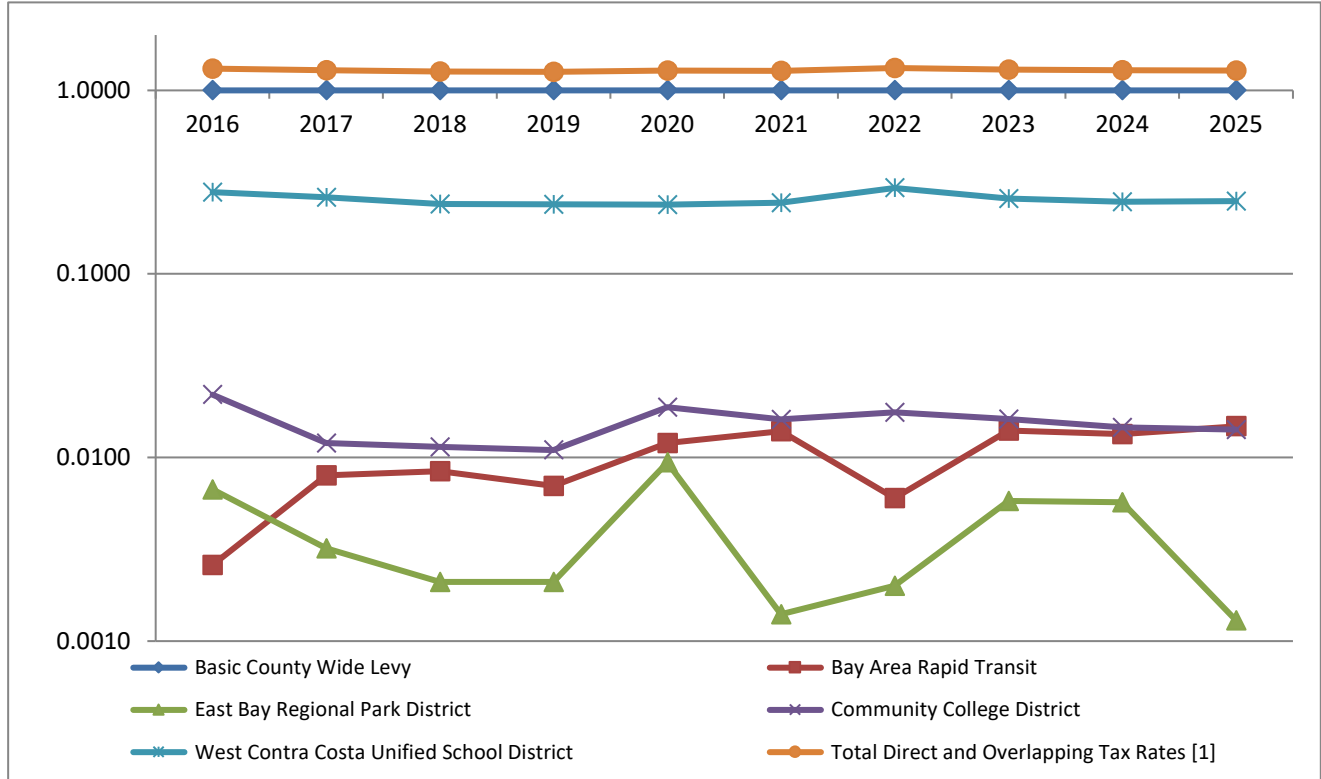
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2016	\$1,607,057,208	\$ 373,896,531	\$ 2,669,901	\$71,708,925	\$ 2,055,332,565	\$ 57,423,148	\$ 2,112,755,713	\$ 2,510,798,889	0.1884%
2017	1,712,024,334	424,465,946	2,710,613	40,142,846	2,179,343,739	52,646,667	2,231,990,406	2,652,497,398	0.1884%
2018	1,815,946,452	437,410,538	2,764,822	52,717,127	2,308,838,939	50,669,026	2,359,507,965	2,804,039,266	0.1884%
2019	1,930,860,892	481,974,623	21,572,321	17,844,755	2,452,252,591	54,318,451	2,506,571,042	2,978,809,026	0.1884%
2020	2,054,262,264	510,162,994	22,004,780	17,718,345	2,604,148,383	55,881,828	2,660,030,211	3,161,179,903	0.1884%
2021	2,156,140,583	520,189,147	22,444,868	19,105,066	2,717,879,664	58,104,679	2,775,984,343	3,298,979,793	0.1884%
2022	2,243,018,566	523,349,776	25,857,496	20,790,834	2,813,016,672	56,076,525	2,869,093,197	3,409,630,355	0.1884%
2023	2,420,638,572	535,935,832	28,005,918	23,417,929	3,007,998,251	59,630,604	3,067,628,855	3,645,570,131	0.1884%
2024	2,536,358,260	549,704,741	28,566,028	22,939,428	3,137,568,457	63,987,571	3,201,556,028	3,804,729,184	0.1884%
2025	2,628,488,757	555,414,956	29,137,341	36,133,224	3,249,174,278	63,310,998	3,312,485,276	3,936,557,502	0.1884%

Source: Contra Costa County Assessor Combined Tax Rolls-HdL Coren & Cone report.

[a] The State Constitution requires property to be assessed at one hundred percent of the most recent purchase price, plus an increment of no more than two percent annually, plus any local overrides. These values are considered to be full market values.

[b] California cities do not set their own direct tax rate. The State Constitution establishes the rate at 1% and allocates a portion of that amount, by an annual calculation, to all the taxing entities within a tax rate area.

City of Pinole
Property Tax Rates
Direct and Overlapping Governments
Per \$100 of Assessed Value
Last Ten Fiscal Years



Fiscal Year	Basic County Wide Levy	Bay Area Rapid Transit	East Bay Regional Park District	Community College District	West Contra Costa Unified School District	Total Direct and Overlapping Tax Rates [1]
2016	1.0000	0.0026	0.0067	0.0220	0.2781	1.3094
2017	1.0000	0.0080	0.0032	0.0120	0.2604	1.2836
2018	1.0000	0.0084	0.0021	0.0114	0.2397	1.2616
2019	1.0000	0.0070	0.0021	0.0110	0.2390	1.2591
2020	1.0000	0.0120	0.0094	0.0188	0.2379	1.2781
2021	1.0000	0.0139	0.0014	0.0161	0.2432	1.2746
2022	1.0000	0.0060	0.0020	0.0176	0.2939	1.3195
2023	1.0000	0.0140	0.0058	0.0162	0.2564	1.2924
2024	1.0000	0.0134	0.0057	0.0146	0.2464	1.2801
2025	1.0000	0.0148	0.0013	0.0142	0.2489	1.2792

Source : Contra Costa County Auditor-Controller Office

[1] Rates are per \$100 of assessed value.

City of Pinole
Principal Property Taxpayers
Current and Nine Years Prior

Taxpayer	2024-25		2015-16	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
AMFP III Bayside			\$ 22,369,920	1.06%
Alexandra J and Bryon P Schard			15,362,947	0.73%
Appian Associates			15,786,521	0.75%
Che Chen and Shu Fen Liu Trust	\$ 24,961,660	0.77%	21,184,754	1.00%
Fairfield Bayside LLC	41,429,775	1.28%	-	0.00%
Gateway Pinole Vista LLC	77,714,840	2.39%	63,238,755	2.99%
Kaiser Foundation Health Plan	37,988,428	1.17%	36,863,816	1.74%
NHI-Reit of Next House LLC	21,512,694	0.66%	19,472,447	0.92%
Pinole Ridge Mall LLC	21,788,556	0.67%	-	0.00%
ROIC Pinole Vista LLC	44,118,223	1.36%	31,480,827	1.49%
SCG Pinole Valley Shopping Center	45,830,693	1.41%	38,807,126	1.84%
Target Corporation	21,230,034	0.65%	19,621,250	0.93%
Thomas Fitzgerald Trust	18,182,750	0.56%	-	0.00%
	<u>\$ 354,757,653</u>	<u>10.92%</u>	<u>\$ 284,188,363</u>	<u>13.45%</u>
Total Net Assessed Valuation:				
Fiscal Year 2024-25	\$ 3,249,174,278			
Fiscal Year 2015-16	\$ 2,112,755,713			

Source: Contra Costa County Assessor Combined Tax Rolls-HdL Coren & Cone reports.

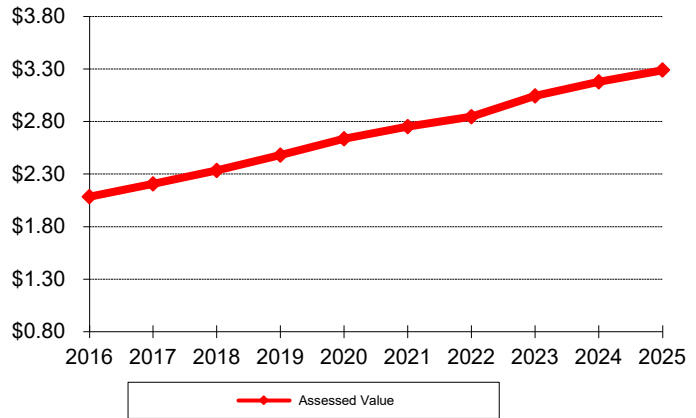
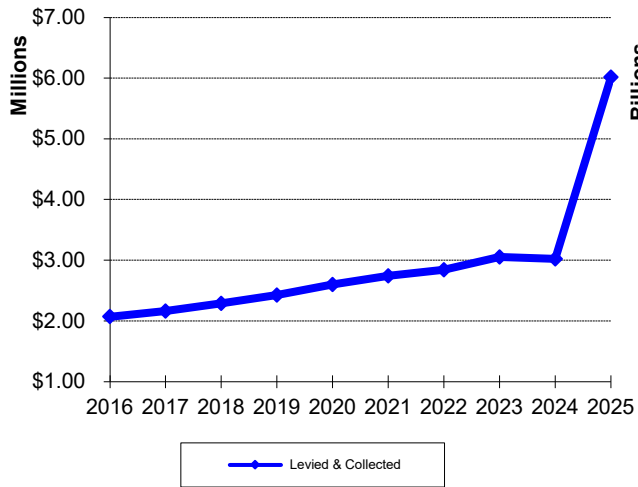
Note: Information is shown in alphabetical order.

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City of Pinole

Property Tax Levies and Collections

Last Ten Fiscal Years



Fiscal Year	City Property Tax Levied & Collected	Redevelopment/ Successor Agency Property Tax Levied & Collected	Total Property Tax Levied & Collected	Percent of Levy Collected	Value of City Property Subject to Local Tax Rate	Value of Redevelopment Property Subject to Local Tax Rate	Local Tax Rate Applied to Assessed Value	Effective Taxrate for City Levy	Effective Taxrate for Redevelopment Agency Levy
2016	\$ 1,967,011	\$ 105,121 [1]	\$ 2,072,131	100%	\$ 1,048,130,045	\$ 1,037,786,268	\$ 2,085,916,313	0.19%	0.01%
2017	2,059,786	104,251 [1]	2,164,037	100%	1,105,435,408	1,100,258,798	2,205,694,206	0.19%	0.01%
2018	2,185,033	104,295 [1]	2,289,328	100%	1,170,940,384	1,162,783,781	2,333,724,165	0.19%	0.01%
2019	2,321,597	104,321 [1]	2,425,918	100%	1,242,741,110	1,238,557,132	2,481,298,242	0.19%	0.01%
2020	2,493,410	104,354 [1]	2,597,764	100%	1,332,924,560	1,302,307,451	2,635,232,011	0.19%	0.01%
2021	2,635,767	104,548 [1]	2,740,315	100%	1,404,683,713	1,346,717,824	2,751,401,537	0.19%	0.01%
2022	2,736,121	104,569 [1]	2,840,690	100%	1,457,104,818	1,387,850,611	2,844,955,429	0.19%	0.01%
2023	2,949,258	104,569 [1]	3,053,827	100%	1,568,575,641	1,475,686,706	3,044,262,347	0.19%	0.01%
2024	3,073,266	99,078 [1]	3,023,486	100%	1,640,416,041	1,538,201,879	3,178,617,920	0.19%	0.01%
2025	6,013,243	- [1]	6,013,243	100%	1,707,992,043	1,581,861,725	3,289,853,768	0.35%	0.00%

Source: Contra Costa County

Notes:

[1] The City of Pinole serves as the Successor Agency to the Pinole Redevelopment Agency which dissolved effective 02/01/2012 pursuant to State Law (ABx1-26).

City of Pinole
Taxable Sales by Category
Last Ten Fiscal Years

	2015-16	2016-17	2017-18	2018-19	2019-20
Major Business Groups					
Autos and Transportation	\$ 143,531	\$ 142,634	\$ 129,758	\$ 149,328	\$ 125,285
Building and Construction	235,399	256,743	252,433	248,668	240,333
Business and Industry	74,664	69,064	68,148	81,173	80,562
Food and Drugs	354,347	366,064	376,151	408,251	422,665
Fuel and Service Stations	393,583	355,390	362,450	482,117	370,686
General Consumer Goods	1,298,176	1,343,309	1,347,691	1,323,599	1,110,168
Restaurants and Hotels	711,659	715,966	715,885	813,411	724,290
Adjustments & Others [a]	24,448	-	506	5,972	1,211
Point of Sale s/totals	3,235,807	3,249,170	3,253,022	3,512,519	3,075,200
County Pool Allocations	431,500	499,708	490,660	519,400	747,782
State Pool Allocations	2,400	2,637	1,903	1,829	1,710
Local Transaction Tax	3,789,711	3,953,872	4,089,586	4,402,698	3,944,917
Administrative Cost - SBE	(82,268)	(95,537)	(90,183)	(87,797)	(79,691)
Fiscal Year Totals	<u>\$ 7,377,150</u>	<u>\$ 7,609,850</u>	<u>\$ 7,744,988</u>	<u>\$ 8,348,649</u>	<u>\$ 7,689,918</u>
City Direct Sales Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%

Notes:

- [a] "Adjustment" reflects "True-up" reconciliation payment for "Triple-Flip" Reimbursement for State Fiscal Recovery Bond Financing Program.
- [b] Effective 04/01/15 additional 1/2% local transaction tax (Measure "S" 2014) authorized
- [c] Effective 04/01/25 additional 1/2% local transaction tax (Measure "I") authorized

Source: HdL Coren & Cone

City of Pinole
Taxable Sales by Category (Continued)
Last Ten Fiscal Years

	2020-21	2021-22	2022-23	2023-24	2024-25
Major Business Groups					
Autos and Transportation	\$ 131,364	\$ 145,204	\$ 141,027	\$ 154,626	\$ 154,699
Building and Construction	287,086	253,926	236,384	206,948	215,993
Business and Industry	66,279	79,061	69,661	59,575	80,476
Food and Drugs	467,507	435,658	440,943	437,077	433,376
Fuel and Service Stations	412,186	596,460	351,757	343,203	335,807
General Consumer Goods	1,299,328	1,333,100	1,364,953	1,443,935	1,428,581
Restaurants and Hotels	741,032	936,053	1,011,530	1,047,325	1,034,060
Adjustments & Others	484	5,260	11,511	3,620	3,962
Point of Sale s/totals	3,405,266	3,784,722	3,627,766	3,696,309	3,686,954
County Pool Allocations	927,704	861,541	798,304	744,707	827,777
State Pool Allocations	2,650	343	1,966	2,329	1,696
Local Transaction Tax [a]	4,654,311	5,041,168	4,976,048	5,051,749	5,620,815
Administrative Cost - SBE	(62,570)	(74,149)	(75,735)	(64,876)	(71,242)
Fiscal Year Totals	<u>\$ 8,927,361</u>	<u>\$ 9,613,625</u>	<u>\$ 9,328,349</u>	<u>\$ 9,430,218</u>	<u>\$ 10,066,000</u>
City Direct Sales Tax Rate	1.75%	1.75%	1.75%	1.75%	2.25%

Notes:

- [a] "Adjustment" reflects "True-up" reconciliation payment for "Triple-Flip" Reimbursement for State Fiscal Recovery Bond Financing Program.
- [b] Effective 04/01/15 additional 1/2% local transaction tax (Measure "S" 2014) authorized.
- [c] Effective 04/01/25 additional 1/2% local transaction tax (Measure "I") authorized.

Source: HdL Coren & Cone

City of Pinole

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

Taxing Jurisdiction / Purpose	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
	[c]									
Overlapping Sales Taxes										
State General Fund	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
State Fiscal Recovery Fund	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State Education Protection Account	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County Health & Welfare Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[a] City/County Public Safety Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
County of Contra Costa Transactions and Use Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%
Contra Costa Transportation Authority	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Bay Area Rapid Transit	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
West County Transit Authority	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Overlapping Sales Taxes	7.75%	7.50%	7.50%	7.50%	7.50%	8.00%	8.00%	8.00%	8.00%	8.00%
City Direct Sales Taxes										
Bradley Burns Authority	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
[b] Measure "S" Authority - 2006	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[c] Measure "S" Authority - 2014	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[c] Measure "I" Authority	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%
Direct Sales Taxes	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	2.25%
[d] Total Sales Tax Levy - City of Pinole	9.50%	9.25%	9.25%	9.25%	9.25%	9.75%	9.75%	9.75%	9.75%	10.25%

Notes:

- [a] Effective 01/01/94 SCA-1 (Proposition-172) additional 1/2% statewide sales tax restricted to public safety programs
- [b] Effective 04/01/07 additional 1/2% local transaction tax (Measure "S" 2006) authorized
- [c] Effective 04/01/15 additional 1/2% local transaction tax (Measure "S" 2014) authorized
- [d] The City direct sales tax rate may only be changed with ratification by the electors of the City. The maximum levy permitted by the State Legislature for combined direct and overlapping sales tax is 10.25%
- [e] Effective 04/01/25 additional 1/2% local transaction tax (Measure "I") authorized

Source: California Department of Tax and Fee Administration

City of Pinole
Top 25 Sales Tax Producers
Year Ended June 30, 2025

BUSINESS NAME	BUSINESS CATEGORY
1. 7 ELEVEN	SERVICE STATIONS
2. APPIAN CHEVRON	SERVICE STATIONS
3. BEST BUY	ELECTRONICS/APPLIANCE STORES
4. BEVMO	CONVENIENCE STORES/LIQUOR
5. BURLINGTON COAT FACTORY	FAMILY APPAREL
6. DOLAN'S PINOLE LUMBER	BUILDING MATERIALS
7. DOLLAR TREE	GENERAL CONSUMER GOODS
8. FOOD MAXX	GROCERY STORES
9. HOME GOODS	FURNITURE STORES
10. IN-N-OUT BURGER	QUICK-SERVICE RESTAURANTS
11. MCDONALDS	QUICK-SERVICE RESTAURANTS
12. NORDSTROM	FAMILY APPAREL
13. O'REILLY AUTO PARTS	AUTOMOTIVE SUPPLY STORES
14. ORIGINAL MELS DINER	QUICK-SERVICE RESTAURANTS
15. PANDA EXPRESS	LIMITED-SERVICE RESTAURANTS
16. PETSMART	SPECIALTY STORES
17. PINOLE CHEVRON	SERVICE STATIONS
18. PINOLE SHELL	SERVICE STATIONS
19. PINOLE VALLEY ARCO	SERVICE STATIONS
20. SHOE PALACE	GROCERY STORES
21. TARGET	DISCOUNT DEPARTMENT STORES
22. TJ MAXX	FAMILY APPAREL
23. TRADER JOES	GROCERY STORES
24. ULTA BEAUTY	SPECIALTY STORES
25. WESTLAKE ACE HARDWARE	BUILDING MATERIALS
PERCENT OF FISCAL YEAR TOTAL PAID BY TOP 25 ACCOUNTS =	55.61%

Source: State Board of Equalization (HdL Companies)

Note: Information is shown in alphabetical order.

City of Pinole
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Governmental Activities				Business-type Activities				
Fiscal Year	Pension Obligation Bonds	Leases Payable	Subscription Payable	Wastewater Revenue Bonds	Clean Water State Revolving Fund	Total Primary Government	Percentage of Personal Income	Per Capita
2016	\$ 3,941,977	\$ 402,514	\$ -	\$ 8,251,000	\$ -	\$ 12,595,491	2.0%	\$ 665
2017	3,686,615	294,724	-	7,866,000	6,786,599	18,633,938	2.9%	982
2018	3,436,175	183,490	-	7,576,000	15,164,357	26,360,022	4.0%	1,370
2019	3,194,853	68,695	-	7,278,000	21,741,571	32,283,119	4.5%	1,656
2020	2,961,839	-	-	6,968,000	25,456,833	35,386,672	4.7%	1,814
2021	2,734,450	-	-	6,650,000	24,773,976	34,158,426	4.2%	1,764
2022	2,512,885	72,619	118,626	6,321,000	24,105,950	33,131,080	4.1%	1,779
2023	2,297,299	56,609	176,570	5,980,000	23,426,566	31,937,044	3.8%	1,751
2024	2,089,509	30,976	199,399	5,633,000	22,735,634	30,688,518	3.2%	1,687
2025	1,886,188	77,290	135,095	5,271,000	22,032,956	29,402,529	3.1%	1,610

Notes: Details regarding the City's outstanding debt can be found in Note 7 of the financial statements.

City of Pinole
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

General Bonded Debt Outstanding							
Fiscal Year	Pension Obligation	Bonds Paid with Restricted Redevelopment Tax	Total - Net of Bonds Paid with Restricted Tax	Percentage of Taxable Value of			Per Capita
	Bonds	Increments	Levies	Property			
2016	\$ 3,941,977	\$ -	\$ 3,941,977	0.38%	[a]	\$	210
2017	3,986,615	-	3,986,615	0.36%	[a]		210
2018	3,436,175	-	3,436,175	0.29%	[a]		179
2019	3,194,853	-	3,194,853	0.26%	[a]		164
2020	2,961,839	-	2,961,839	0.22%	[a]		152
2021	2,734,450	-	2,734,450	0.19%	[a]		141
2022	2,512,885	-	2,512,885	0.17%	[a]		135
2023	2,297,299	-	2,297,299	0.15%	[a]		126
2024	2,089,509	-	2,089,509	0.13%	[a]		115
2025	1,886,188	-	1,886,188	0.11%	[a]		103

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a] Based on Assessment Value net of restricted Redevelopment Tax Increment

[b] Due to the dissolution of Redevelopment Agencies effective February 1, 2012, these bonds and notes were transferred to the Successor Agency to the Pinole Redevelopment Agency.

Sources:

City Finance Department

Contra Costa County Office of the Auditor-Controller

City of Pinole

Direct and Overlapping Governmental Activities Debt

June 30, 2025

2024-25 Assessed Valuation: \$ 3,312,485,276

	Total Debt 6/30/2025	[1] % Applicable	City's Share of Debt 6/30/25
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit District	\$ 2,391,260,000	0.316%	\$ 7,556,382
Contra Costa Community College District	591,875,000	1.189%	7,037,394
West Contra Costa Unified School District	1,279,679,975	7.669%	98,138,657
West Contra Costa Healthcare District Parcel Tax Obligations	40,155,000	7.031%	2,823,298
East Bay Regional Park District	145,930,000	0.493%	719,435
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			116,275,165
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Contra Costa County General Fund Obligations	\$ 150,845,000	1.185%	\$ 1,787,513
West Contra Costa Unified School District Certificates of Participation	2,845,000	7.669%	218,183
City of Pinole Pension Obligation Bonds	1,886,188	100.000%	1,886,188
City of Pinole Leases Payable	77,290	100.000%	77,290
City of Pinole Subscription payable	135,095	100.000%	135,095
Alameda-Contra Costa Transit District Certificates of Participation	9,600,000	0.031%	2,976
Contra Costa Mosquito and Vector Control District General Fund Obligations	8,050,000	1.185%	95,393
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 4,202,638
Less: Contra Costa County obligations supported from revenue funds			406,907
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 3,795,731
TOTAL DIRECT DEBT			\$ 2,098,573
TOTAL GROSS OVERLAPPING DEBT			\$ 118,379,229
TOTAL NET OVERLAPPING DEBT			\$ 117,972,322
GROSS COMBINED TOTAL DEBT			\$ 120,477,802 [2]
NET COMBINED TOTAL DEBT			\$ 120,070,895

Ratios to 2024-25 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	3.51%
Total Direct Debt (\$1,890,944).....	0.06%
Gross Combined Total Debt.....	3.64%
Net Combined Total Debt	3.62%

Notes:

[1] The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

[2] Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue.

City of Pinole

Computation of Legal Debt Margin

Last Ten Fiscal Years

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property \$ 3,289,853,768

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) [a] \$ 123,369,516

AMOUNT OF DEBT SUBJECT TO LIMIT: \$ 1,886,188

LEGAL BONDED DEBT MARGIN: \$ 125,255,704

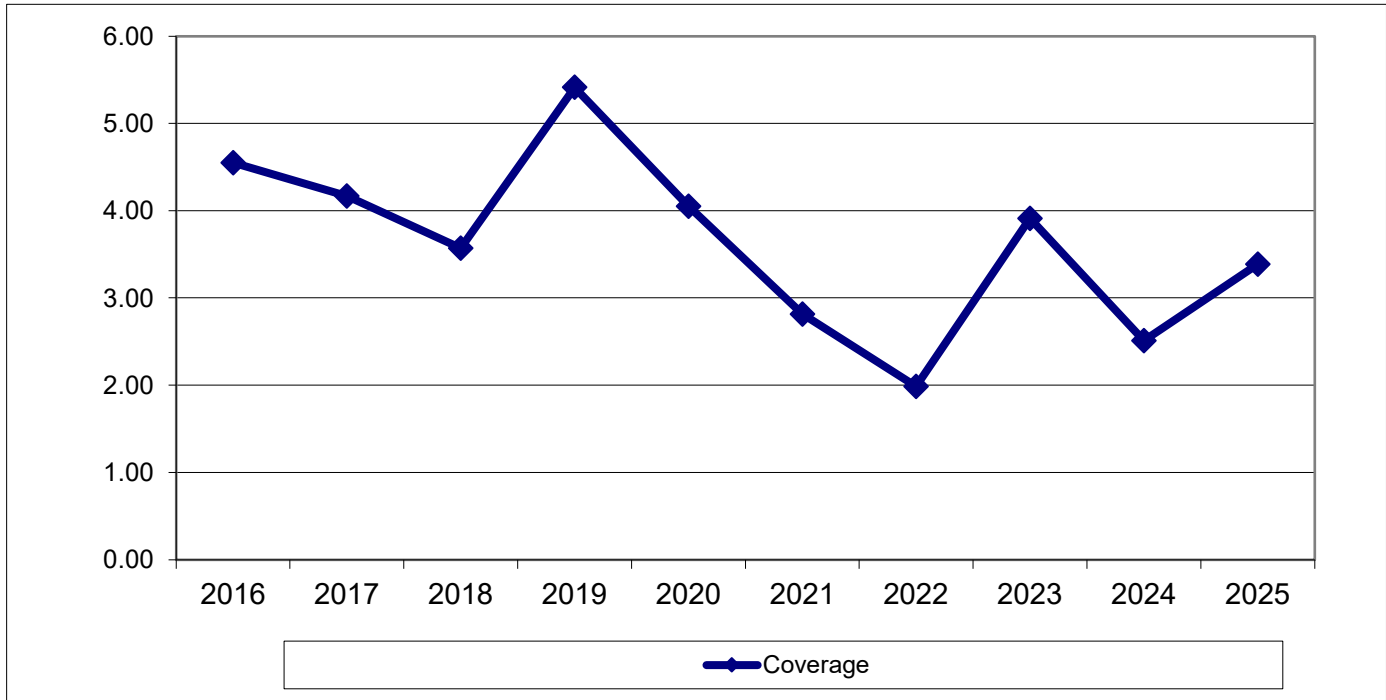
Fiscal Year	Total assessed value of all real and personal property	Debt Limit [a]	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net Debt applicable to the limit as a percentage of debt limit
2016	\$ 2,085,916,313	\$ 78,221,862	\$ 3,941,977	\$ 74,279,885	5.04%
2017	2,205,694,206	82,713,533	3,686,615	79,026,918	4.46%
2018	2,333,724,165	87,514,656	3,436,176	84,078,480	3.93%
2019	2,481,298,242	93,048,684	3,194,854	89,853,830	3.43%
2020	2,635,232,011	98,821,200	2,961,839	95,859,361	3.00%
2021	2,751,401,537	103,177,558	2,734,450	100,443,108	2.65%
2022	2,844,955,429	106,685,829	2,512,885	104,172,944	2.36%
2023	3,044,262,347	114,159,838	2,297,299	111,862,539	2.01%
2024	3,178,617,920	119,198,172	2,089,509	117,108,663	1.75%
2025	3,289,853,768	123,369,516	1,886,188	121,483,328	1.53%

Note:

[a] California Government Code, Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value to full market value when it was previously 25 % of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

Source: City of Pinole Finance Department

City of Pinole
Revenue Bond Coverage
Wastewater Revenue Bonds
Last Ten Fiscal Years



Fiscal Year	Gross Revenue [a]	Operating Expenses [b]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$ 7,541,964	\$ 4,688,712	\$ 2,853,252	\$ 240,000	\$ 387,310	\$ 627,310	4.55
2017	6,315,563	4,055,187	2,260,376	385,000	157,267	542,267	4.17
2018	6,524,537	4,676,225	1,848,313	290,000	227,770	517,770	3.57
2019	7,211,834	4,413,017	2,798,818	298,000	219,097	517,097	5.41
2020	7,093,734	4,986,437	2,107,297	310,000	210,129	520,129	4.05
2021	7,527,056	6,067,198	1,459,858	318,000	200,866	518,866	2.81
2022	7,770,772	6,736,755	1,034,017	329,000	191,322	520,322	1.99
2023	7,831,703	5,787,622	2,044,081	341,000	181,440	522,440	3.91
2024	8,114,292	6,812,685	1,301,607	347,000	171,292	518,292	2.51
2025	8,823,158	7,051,724	1,771,434	362,000	160,834	522,834	3.39

Notes:

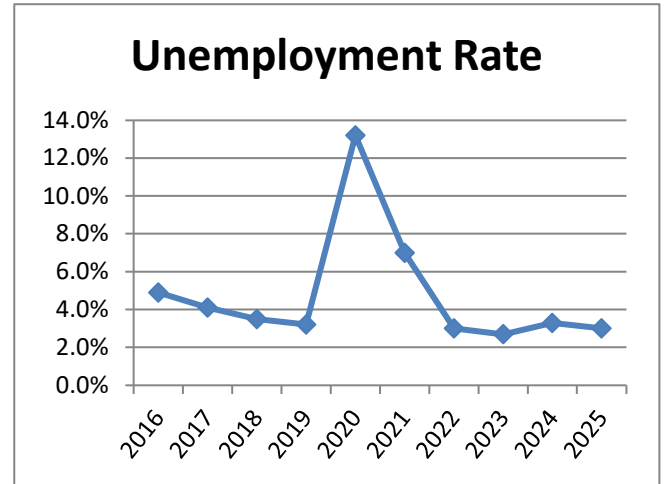
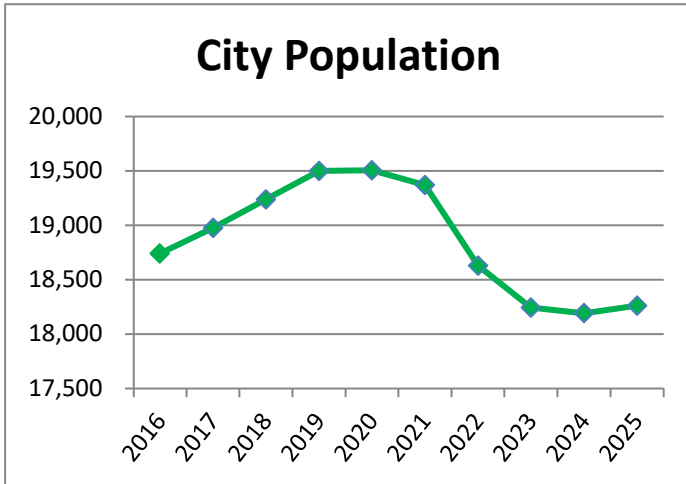
- [a] Includes all wastewater operating revenue, non-operating interest revenue, connection fees and other non-operating revenue.
[b] Includes all wastewater operating expenses less depreciation.

Source: City of Pinole Finance

City of Pinole

Demographic Statistics

Last Ten Fiscal Years



Fiscal Year	City Population [a]	Personal Income [b]	Median Household Income [c]	Per Capita Personal Income [d]*	School Enrollment [e]	Unemployment Rate [f]
2016	18,739	\$ 641,229,841	\$ 93,600	\$ 34,219	\$ 3,260	4.9%
2017	18,975	650,823,525	97,400	34,299	3,192	4.1%
2018	19,236	656,582,388	104,400	34,133	3,190	3.5%
2019	19,498	711,306,538	111,700	36,481	3,255	3.2%
2020	19,505	749,869,725	119,200	38,445	3,463	13.2%
2021	19,369	811,851,635	125,600	41,915	3,498	7.0%
2022	18,628	811,826,868	142,800	43,581	3,802	3.0%
2023	18,244	839,333,464	147,900	46,006	3,747	2.7%
2024	18,192	904,833,696	155,700	49,738	3,739	3.3%
2025	18,261	960,327,729	159,800	52,589	3,822	3.0%

Data Sources:

- (a) State of California Department of Finance, estimated population.
- (b) Bureau of Economic Analysis, U.S. Department of Commerce.
- (c) State of California, Department of Housing and Community Development, Division of Housing Policy Development.
- (d) US Census Bureau.
- (e) State of California Department of Education.
- (f) State of California Employment Development Department.

*Per Capita Personal Income figures were revised to reflect the US Census Bureau most recent publications.

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City of Pinole
Principal Employers
Current and Nine Years Ago

Employer	2025		Employer	2016	
	Employee Count	Percentage of City Total		Employee Count	Percentage of City Total
Target	224	2.33%	West Contra Costa USD	273	6.01%
Kaiser Health Center	174	1.81%	Target	210	4.62%
West Contra Costa USD	160	1.67%	Kaiser Health Center	123	2.71%
In-N-Out Burger	125	1.30%	City of Pinole	106	2.33%
Trader Joes	124	1.29%	In-N-Out Burger	105	2.31%
City of Pinole	113	1.18%	Best Buy	98	2.16%
Sprouts Farmers Market	99	1.03%	K-Mart	95	2.09%
Security Pacific Real Estate	90	0.94%	Lucky Supermarket	83	1.83%
MV Public Transportation, Inc	84	0.88%	MV Public Transportation, Inc.	79	1.74%
TJ Maxx	78	0.81%	Trader Joe's	69	1.52%
Top 10 Employer Count	1,271			1,241	
Total Workforce	9,600	13.24%		4,544	27.31%

Data Sources:

City of Pinole (Business Licensing)
California Department of Education
Employment Development Department

City of Pinole

Operating Indicators by Function/Program

Last Ten Fiscal Years

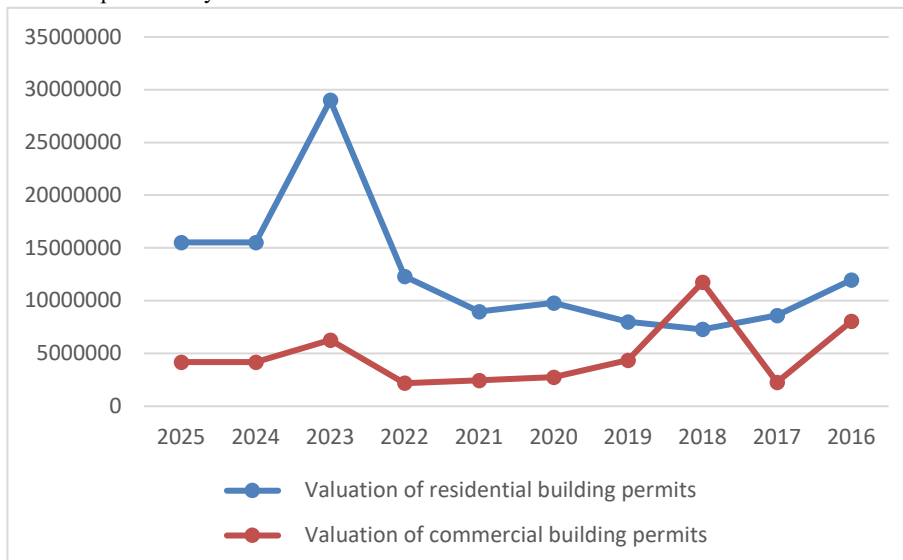
Date of Incorporation	1903
Form of Government	Council-Manager
Number of Employees(including police & fire)	
Full-time	100
Part-time	31
Area in square miles	5 square miles

<u>Statistics by Fiscal Year</u>	2025	2024	2023	2022	2021
Fire Protection:**					
Number of fire personnel & officers (incl. Reserves)	0	0	0	17	15
Number of calls answered	Not Available	Not Available	Not Available	2,548	2,086
Number of inspections conducted	Not Available	Not Available	Not Available	491	375*
Number of building plan reviews	Not Available	Not Available	Not Available	46	35
Number of fire investigations	Not Available	Not Available	Not Available	Not Available	Not Available
Police Protection :					
Number of police personnel & officers (incl. Reserves)	45	49.3	49.3	47.3	46
Number of police personnel per thousand population	2.46	2.71	2.70	2.54	2.37
Community Development:					
Number of residential building permits	1090	1134	1018	1038	905
Valuation of residential building permits	\$ 15,644,541	\$ 15,523,604	\$ 29,010,799	\$ 12,320,050	\$ 8,978,646
Number of commercial building permits	37	43	46	45	45
Valuation of commercial building permits	\$ 5,366,774	\$ 4,170,802	\$ 6,281,089	\$ 2,197,897	\$ 2,453,802
Sewer System:					
Daily average treatment in gallons	2,790,000	2,870,000	3,120,000	2,726,016	2,553,562
Maximum daily capacity of treatment plant in gallons	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000

Source: City of Pinole Finance

*A contributing factor to the increase is the implementation of the Fire operation permit.

** Fire Protection Services are provided by ConFire effective March 2023



City of Pinole

Operating Indicators by Function/Program (Continued)

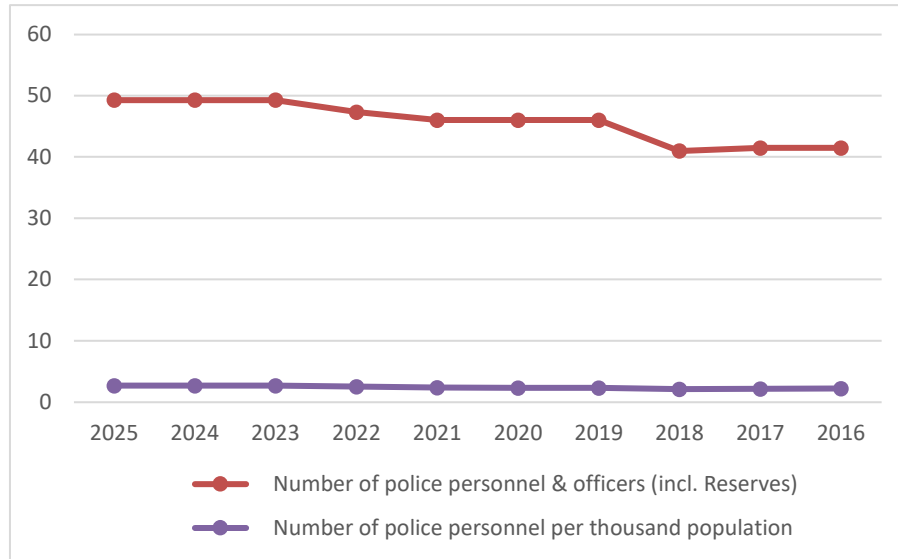
Last Ten Fiscal Years

Date of Incorporation	1903
Form of Government	Council-Manager
Number of Employees(including police & fire)	
Full-time	100
Part-time	31
Area in square miles	5 square miles

<u>Statistics by Fiscal Year</u>	2020	2019	2018	2017	2016
Fire Protection:**					
Number of fire personnel & officers (incl. Reserves)	15	15	15	15	15
Number of calls answered	2,574	2,493	2,515	2,647	2,406
Number of inspections conducted	231	168	26	45	404
Number of building plan reviews	29	28	14	34	66
Number of fire investigations	Not Available	Not Available	Not Available	Not Available	Not Available
Police Protection :					
Number of police personnel & officers (incl. Reserves)	46	46	41	41.5	41.5
Number of police personnel per thousand population	2.36	2.36	2.13	2.19	2.21
Community Development:					
Number of residential building permits	843	749	690	777	1027
Valuation of residential building permits	\$ 7,043,338	\$ 8,012,647	\$ 7,293,429	\$ 8,613,376	\$ 11,969,126
Number of commercial building permits	43	153	84	92	46
Valuation of commercial building permits	\$ 2,749,091	\$ 4,354,070	\$ 11,752,779	\$ 2,275,774	\$ 8,053,064
Sewer System:					
Daily average treatment in gallons	2,255,055	2,277,331	2,151,096	2,914,000	2,381,151
Maximum daily capacity of treatment plant in gallons	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000

*A contributing factor to the increase is the implementation of the Fire operation permit.

** Fire Protection Services are provided by ConFire effective March 2023



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City of Pinole
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function / Program [a]	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government										
Administration	5.0	5.0	5.0	5.5	5.5	6.5	7.5	9.0	8.3	8.3
Finance	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.8	3.8
Planning	1.0	1.0	1.0	1.0	1.0	1.5	2.0	2.0	2.0	3.0
Building	2.0	2.5	3.5	3.5	4.0	4.0	5.0	5.5	5.5	6.0
Other	3.0	3.0	3.0	3.0	2.8	3.8	-	-	-	-
Police										
Sworn	27.0	27.0	28.0	28.0	28.0	28.0	28.0	30.0	30.0	28.0
Non-sworn	14.5	14.5	17.5	18.0	18.5	18.2	19.3	19.3	19.3	19.3
Fire [b]										
Sworn	15.0	14.0	14.0	14.0	14.0	14.0	16.0	-	-	-
Non-sworn	0.5	1.0	1.0	1.0	1.0	1.0	1.0	-	-	-
Public Works										
Engineering	3.0	3.0	3.0	3.0	3.0	2.5	4.0	6.5	6.5	6.0
Maintenance	10.0	10.0	10.0	10.0	11.3	10.3	12.3	12.3	12.3	12.3
Redevelopment	-	-	-	-	-	-	-	-	-	-
Parks and recreation	13.0	13.0	13.0	13.0	11.5	11.5	15.3	16.2	16.2	16.2
Wastewater collection and treatment	10.5	10.5	10.5	10.5	10.5	10.5	11.5	11.5	11.5	10.5
Total	108.0	108.0	113.0	114.0	114.4	115.2	125.2	115.6	115.1	113.2

Notes:

[a] Paid employees only (excluding reserves and volunteers)

[b] Fire protection services are provided by ConFire effective March 2023.

Source: City of Pinole Annual Budget Documents

City of Pinole

Capital Asset Statistics by Function/Program

Last Ten Fiscal Years

City Streets:

Miles of streets 63
 Number of street lights 374 (city owned)
 971 (electric & private utility)

	<u>Statistics by Fiscal Year</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Police Protection :						
Number of patrol units		11	13	11	11	13
Number of security units		2	2	3	2	2
Recreation and culture :						
Swim Center		1	1	1	1	1
Community Theater		1	1	1	1	1
Senior Center		1	1	1	1	1
Youth Center		1	1	1	1	1
Pre-school Center		1	1	1	1	1
		15; 64 total	15; 64 total	15; 64 total	15; 64 total	15; 64 total
Number of parks & park acreage		acres	acres	acres	acres	acres
Sewer System:						
Sanitary sewers		50 miles	50 miles	50 miles	50 miles	50 miles
Miles of storm drains		34 miles	34 miles	34 miles	34 miles	34 miles
Number of treatment plants		1	1	1	1	1
Number of service connections		5,455	5,455	5,455	5,416	5,416
Schools:						
Elementary-public		5	5	5	5	5
Elementary-private		2	2	2	2	2
Junior High School-public		1	1	1	1	1
High School-public		1	1	1	1	1

*Fire protection services are provided by ConFire

Source: City of Pinole Finance

City of Pinole
Capital Asset Statistics by Function/Program (Continued)
Last Ten Fiscal Years

City Streets:

Miles of streets 63
Number of street lights 374 (city owned)
971 (electric & private utility)

	<u>Statistics by Fiscal Year</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Police Protection :						
Number of patrol units		13	13	13	13	13
Number of security units		2	2	2	2	2
Recreation and culture :						
Swim Center		1	1	1	1	1
Community Theater		1	1	1	1	1
Senior Center		1	1	1	1	1
Youth Center		1	1	1	1	1
Pre-school Center		1	1	1	1	1
		15; 64 total	15; 64 total	15; 64 total	15; 64 total	15; 64 total
Number of parks & park acreage		acres	acres	acres	acres	acres
Sewer System:						
Sanitary sewers		50 miles	50 miles	50 miles	50 miles	50 miles
Miles of storm drains		34 miles	34 miles	34 miles	34 miles	34 miles
Number of treatment plants		1	1	1	1	1
Number of service connections		5,416	5,416	5,416	5,416	5,416
Schools:						
Elementary-public		5	5	5	4	4
Elementary-private		2	2	2	2	2
Junior High School-public		1	1	1	1	1
High School-public		1	1	1	1	1

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

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
of the City of Pinole
Pinole, 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 financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pinole, California (the "City"), as of and for the year ended June 30, 2025, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 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 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 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 entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

To the Honorable Mayor and Members of the City Council
of the City of Pinole
Pinole, California
Page 2

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 the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
December 17, 2025