

City of San Pablo, CA



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30,
2025



CITY^{OF} SAN PABLO

City of New Directions



CITY OF SAN PABLO, CALIFORNIA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

PREPARED BY THE
FINANCE DEPARTMENT



CITY^{OF} SAN PABLO

City of New Directions

CITY OF SAN PABLO, CALIFORNIA

**Annual Comprehensive Financial Report
For the Year Ended June 30, 2025**

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CITY^{OF} SAN PABLO

City of New Directions

December 19, 2025

Dear Mayor, Members of the City Council and Citizens of the City of San Pablo:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of San Pablo, California, (City) for the fiscal year ended June 30, 2025. The ACFR is presented in accordance with the principles and standards of accounting and financial reporting by the Governmental Accounting Standards Board (GASB) and provides information needed for readers to gain a reasonable understanding of the City's financial activities. Responsibility for both the accuracy of the data and the completeness and fairness of the information—including all disclosures—rests with the City. To the best of Management's knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of the operations of the various entities of the City of San Pablo. An overview of the City's financial activities for the fiscal year is discussed in detail in the Management Discussion and Analysis (MD&A), which can be found in the financial section immediately following the Independent Auditor's Report. This Letter of Transmittal is designed to complement the MD&A and is intended to be read in conjunction with it.

INDEPENDENT AUDIT

The audit of the City's financial statements was performed by the independent, certified public accounting firm of Maze & Associates. The goal of the audit is to obtain reasonable assurance that the financial statements are free of material misstatements and are presented fairly and in conformity with generally accepted accounting principles (GAAP). In their Independent Auditor's Report, Maze & Associates issued an unmodified opinion with respect to the City's financial statements for the fiscal year ended June 30, 2025. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by the management; and evaluating the overall financial presentation. Maze & Associates has concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified audit opinion that the City of San Pablo's financial statements for the fiscal year ended June 30, 2025, are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. The independent auditor's report is presented as the first component of the financial section of this report.

Profile of San Pablo

The City of San Pablo was incorporated in 1948 as a general law city under the laws of the State of California. Located in West Contra Costa County along Interstate 80, San Pablo is situated just minutes away from the Bay Area cultural centers of Berkeley, Oakland, and San Francisco, and in relative proximity to five bridges leading to all parts of Northern California. Historically one of the oldest Spanish settlements in the region, the architecture of San Pablo's Spanish style City Hall with a fountain and courtyard is a proud reflection of that heritage.



THE CITY COUNCIL

The City is governed by a five-member City Council, under the Council-Manager form of government. Council Members are elected at large to staggered four-year terms with three Council Members and two Council Members in alternating elections, at two-year intervals. Each year, the Council appoints one of its members to serve as Mayor. The Council is vested with policymaking and legislative authority and appoints the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the Council, for overseeing the day-to-day operations of the City, and for appointing department directors.

THE BUDGET, FISCAL & LEGISLATIVE STANDING COMMITTEE

The Budget, Fiscal & Legislative Standing Committee (BFLSC), comprised of two standing City Council Members, provides a lay review of proposals in context of the established goals and priorities of the City. They have the authority to approve the proposal as presented or may give approvals subject to revisions. A proposal meeting the approval of the BFLSC is then recommended for formal consideration in a scheduled public hearing before the City Council and is formally adopted if approved.

DEMOGRAPHICS

Size: 2.6 square miles, all of which is land

2025 Population: 31,507

Gender: 50.3% male, 49.7% female

Median Resident Age: 34.3

Estimated Median Household Income: \$78,215

Owner Occupied Household: 43%

Median Home Value: \$516,000

Median Rent Per Month: \$2,100

Source: [E-1 2025 InternetVersion.xlsx](#), [U.S. Census Bureau QuickFacts: San Pablo city, California](#), & [Average Rental Price in San Pablo, CA | \\$2,100](#)

The City provides a full range of municipal services, including police (public safety), community development (planning, land use and building regulation), public works (capital projects, street maintenance and environmental services), community services (rentals, senior services, and recreational programming), and administration and fiscal services. Fire protection services are provided by the Contra Costa Fire Protection District (ConFire). Water services are provided by East Bay Municipal Utility District (EBMUD), sewer services by the West County Wastewater District, and solid waste and recycling services by Republic Services.

Internal and Budgetary Controls

INTERNAL CONTROLS

The Finance Department, in conjunction with the City's management team, is responsible for establishing and maintaining an internal control structure designed to ensure that the City's assets are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met, while recognizing that this assurance is not absolute. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management. City administration believes the existing internal control systems are adequate to provide reasonable assurance that the City's assets are safeguarded against loss and that the financial records are reliable for preparing financial statements and maintaining accountability for assets, this belief supported in part by the auditor's unmodified opinion.

BUDGETARY CONTROLS

The City's ordinance requires the adoption of a budget for the following fiscal year prior to July 1 of each year. The City's management staff prepares a biennial budget for the General Fund, Special Revenue Funds, and other governmental funds, along with a Capital Improvement and Equipment Plan. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds except the Low and Moderate Income Housing Assets, Traffic Congestion Relief, HCD Grant, and Measure K Special Revenue Funds. In addition, the San Francisco Bay Water Quality Improvement Special Revenue Fund, Public Works Construction Capital Projects Fund, 2015 Lease Revenue Bonds Capital Projects Fund, 2022 JPFA Lease Revenue Bonds Debt Service Fund, and 2018 JPFA Lease Revenue Bonds Debt Service Fund are budgeted on a project-length basis and therefore are not comparable on an annual basis.

The objective of budgetary controls is to ensure compliance with the legal provisions embodied in the appropriated budget approved by the City Council. The City's legal level of budgetary control is maintained at the individual departmental level and administered by the City Manager. Budget adjustments within a department require approval by the City Manager consistent with delegated authority. Any budget appropriation adjustments and transfers between departments, the General Fund, Special Revenue Funds,

and other governmental funds require approval by the City Council. The City maintains an encumbrance accounting system that encumbers and reappropriates unfinished capital projects, as part of the following year's budget.

CASH MANAGEMENT

The City manages a pooled investment program for all funds in which temporarily idle funds during the year were invested in accordance with the City's approved Investment Policy. The policy affords a broad spectrum of investment opportunities, as long as the investment is deemed prudent and permissible under currently effective legislation of the State of California and other imposed restrictions. Criteria for selecting investments and the order of priority are safety, liquidity, and yield. The cash management system of the City is designed to accurately monitor and forecast expenditures and revenues, thus ensuring the investment of monies to the fullest extent possible. Attempts are made to obtain the highest yields available as long as investments meet the criteria required for safety and liquidity.

Major Initiatives and Priority Workplan

Over the years, the City has become a thriving residential and business community. San Pablo is home to Contra Costa Community College and is fortunate to have a wealth of community resources including a library, a sports park, a childcare facility, a regional healthcare facility, and a career center. Many multilingual nonprofits represent the diverse support services offered to residents. The City also offers youth programs at the award-winning San Pablo Community Center (SPCC) and senior services at the Senior Center, as well as fund programs and services within the larger San Pablo community, which meet a variety of needs and interests. Other such initiatives include:

- Services for Families and Youth: Youth, School, and Community Partnerships Division (YSCP) is committed to the healthy development of youth with a focus on developing positive opportunities, programs, and partnerships that will provide children and youth with skills, knowledge, support, and resources leading to healthy and productive lives. YSCP programs, services, and initiatives support a community where government, families, schools, law enforcement, and organizations work together to create an environment conducive to supporting young people, their learning, and their success.



Local Tax Measure Initiatives (Measure S and Measure J)

- Childhood Obesity Prevention Grant Program and Advisory Group: Funded through Measure S, this program focuses on increasing community awareness of the obesity epidemic, increasing accessibility to healthy food and physical activity opportunities, and expanding healthy eating/active living programs, the Community Action Plan also identified program and policy

priority areas to guide collaborative efforts towards a healthier San Pablo. The current Childhood Obesity Prevention Grant Program (COPAG) provides grant opportunities for local organizations, schools, and other agencies to implement activities and services that promote physical movement and nutrition education.

- **San Pablo Beacon Community Schools:** San Pablo City Council adopted the Full-Service Community Schools Initiative (FSCSI) with the goal of transforming all schools in San Pablo into Full-Service Community Schools. In February 2016, the City joined the Beacon National Network, a multicity collaborative of community schools. In a Community School, the school district, city, county, community, faith-based organizations, businesses, families, and philanthropists form a strong, deep, and transparent partnership. They can jointly address the identified needs of students, families, and the community in a comprehensive, integrated, and accountable way. The shared leadership among these key stakeholders work towards a common vision and agenda, and shares responsibility for results. A Community School focuses on the needs of the whole child – physical, emotional, social, and academic – to create the conditions necessary for all children to learn and be successful in life. This program is primarily funded through Measure S.

Paratransit: San Pablo Senior and Disabled Transportation Services provides door-to-door shuttle service to eligible seniors 50 years and older and adults with disabilities, all who live in the 94806-zip code. Our priority is to provide a safe, affordable, and enjoyable experience for our riders. The City provides rides to medical appointments, grocery shopping, the post office, the bank, and/or other community locations for a low fee. Twice a month our transportation service offers delivery of groceries provided by the Contra Costa County & Solano County Food Banks for qualifying participants. The transportation program is funded by the Measure J tax initiative and is supported by the West Contra Costa Transportation Advisory Committee and the Contra Costa Transit Authority, as well as an eighteen (18) month transfer-less one-seat ride medical trip pilot program, funded by Measure J 28b and Measure X funding. Driving the initiatives is the City's FY2023-25 Priority Workplan, adopted by the City Council on May 1, 2023, and dedicated to developing, preserving, and protecting the quality of life and cultural diversity of its citizens in addition to striving to provide exceptional public services in its day-to-day operations. It is a policymaking document established by the City Council for the purpose of providing policy direction for implementation by the City Manager. Even though the FY2023-25 Priority Workplan is a dynamic, evolving document, it maintains five major policy goals under which priority items are given review and consideration:

1. Build a Healthy Community
2. Enhance Community Resilience
3. Expand Housing Options
4. Focus on Economic Development and Diversification
5. Improve Public Safety



Teamwork San Pablo 2023 Year of Restoration

FY 2023-25

**CITY OF SAN PABLO CITY COUNCIL PRIORITY
WORKPLAN**

Adopted/Effective: May 1, 2023

**City Hall: 1000 Gateway Ave., San Pablo, California
Phone: (510) 215-3020 ~ Fax: (510) 215-3012**

Economic Condition and Outlook

The local and regional economy continues its up-and-down recovery from the challenges brought by the current US and world economy. Inflation in housing, food, fuel, and other living expenses in the local and Bay Area region greatly impacts the region's recovery. Despite the proven historical economic strength and resiliency of the Bay Area region, the region's economic growth is faced with many changes. Changes in the work culture, which can range from in-office, remote, "hybrid-remote" and on-the-go workers, as well as trends in population migration and business location impacts the overall economic direction of the region.

THE ECONOMIC FORECAST

Economic forecasts are important to ensure that projections reflect recent economic developments and current law, allowing local governments to create well-informed economic, monetary, and fiscal policies. The City continues to face challenges from several economic issues stemming from inflation, interest rates, industrial production, and a changing labor market.

These cues alone, however compelling, are not an accurate indicator of the economy. Inflation, interest rates, industrial production, consumer confidence, worker productivity, retail sales and employment rates are often used with historical context to determine the outlook. In addition to staff expertise, the City relies on specialized consultants, such as HdL, for insights into specific sectors.

Below is a summary analysis of some key indicators of the region's economic environment.

EMPLOYMENT

The unemployment rate is the percentage of people in the labor force who are actively looking for work but not currently employed. In August 2025, the US economy had a 4.4% unemployment rate. The State of California's unemployment rate is higher than the majority of states at 5.5%. Contra Costa County had a similar unemployment rate at 5.2%, slightly lower than the state's average. The State of California also had an increase in unemployment claims.

Unemployment	Rate – August, 2025	Fiscal Year Change
United States	4.4%	+0.3%
State of California	5.5%	+0.4%
Contra Costa County	5.2%	+0.5%

Source: CA.gov EDD; US Dept. of Labor

INFLATION

The Federal inflation rate was 2.7% over the last 12 months. The Federal Open Market Committee (FOMC) followed through and cut interest rates by 100 basis points from September 2024 to August 2025; the first series of interest rate cuts in over two years. These falling rates was to provide the U.S. economy a boost in the short run, although may decrease the City's investment rates in the future. The Consumer Price Index (CPI)-All Urban Consumers advanced 2.5 percent, as August 2025. Food prices slightly rose 0.6 percent. Energy prices declined 2.0 percent. The index for all items less food and energy advanced 0.5 percent over the year.

Source: BG FRS; US Department of Labor CPI San Francisco-Oakland-Hayward, CA

SALES AND USE TAXES

The statewide sales tax trends have been impacted by limited discretionary spending including inflation, interest rates, surges in insurance and utility expenses, and price of taxable goods. Tax proceeds from general consumer goods declined by 2.0% in the fiscal year statewide, with retailers forecasting modest improvements across most tax generating groups for next year.

Source: HDL Sales Tax Reports

PROPERTY TAXES

In FY 2024-25, San Pablo's taxable assessed property value is \$2.7 billion, 77.1% of which represents residential parcels. Property values increased by approximately 5.8%, compared to the County's overall increase of 4.2%.

Through the first half of the 2025 calendar year, counties are experiencing declines in the number of recorded sales from 2024. Home sales pulled back in June as interest rates remained high through the end of the second quarter. All major California regions experienced a moderate increase in their median sale prices from a year ago in June.

In 2025, there were 6,235 city parcels that were taxable. The median sale price of San Pablo detached single-family homes from January through September 2025 was \$525,000, an increase of \$3,500 (-0.66%) from the 2025's median sale price.

FY Year	Full Value Sales	Median Price	%Change
2021	143	\$540,070	17.6%
2022	96	\$555,000	2.78%
2023	71	\$525,000	-5.54%
2024	100	\$528,500	0.67%
2025	69	\$525,000	-0.66%

*Year-to-Date (through September 2025) Source: HDL

CASINO REVENUE AND P.I.L.O.T. PAYMENTS TO CITY

The casino revenues from the Lytton Band of Pomo Indians (Band) are an essential revenue source to the City of San Pablo (City). Currently, the Municipal Services Agreement (MSA) with the Band provides approximately 60% of the City's annual general fund revenue to the City. This revenue funds Police, Community Services, Information Technology, Public Works, Code Enforcement and Building Plan Check and Inspection functions.

In accordance to the MSA signed in September 1999 between the Band and the City, the Band has not entered into a Compact with the State of California for a Class II gaming operation since inception of the MSA. Therefore, under the terms of the MSA, the Band makes an annual Municipal Services Payment of 7.5% of Gross Gaming Contract Revenues, and a Payment in Lieu of Tax (P.I.L.O.T.) in the form of an Incremental Minimum Municipal Services Payment to the City which shall increase or decrease annually in the same amount as real property taxes otherwise paid by owners of commercial property within the City. At the date of the execution of the Agreement, both the Band and the City acknowledge the P.I.L.O.T. payment amount is approximately 2% per year, with annual CPI adjustments as enumerated in the MSA.

In the last three (3) fiscal years, the city has seen a decrease in Gross Gaming Contract revenues. For Fiscal Year (FY) 2024-25, the city identified an \$850,000 casino budget shortfall, which has impacted the city's operational budget. The city has been monitoring this trend, which is presenting an upward progression from prior year.

	FY 2022-23	FY 2023-24	FY 2024-25
<i>Actuals</i>	<i>\$30,144,568</i>	<i>\$30,256,972</i>	<i>\$30,839,005</i>
Budget	\$30,500,000	\$31,500,000	\$31,689,000
Shortfall	(\$355,432)	(\$1,243,028)	(\$849,995)

Significant Events and Accomplishments

- Authorized the City's Classification and Compensation Plan and Organization Chart for FY 2024-25.
- Established a Pilot Scholarship Program for youth financial scholarships to eligible San Pablo residents.
- City's Digital Budget Book - Biennial General Fund Operating and CIP Budget for FY 2023-25
- Received the 2023-24 GFOA Excellence in Financial Reporting Award (28th Consecutive Year Award Recipient)
- Updated policy amendments to the new FY 2023-25 Council Priority Workplan
- Revise the City's Fiscal Resiliency Reserve Policy (FRRP) for FY 2024-25

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Pablo for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. To receive a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. 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 only. City staff believes that its current ACFR continues to meet the Certificate of Achievement Program requirements and will again submit its ACFR to the GFOA to determine eligibility for another certificate.

Acknowledgements

We wish to thank the City Council for providing the clear policy direction and goals which have been used to prepare this Annual Comprehensive Financial Report. A great deal of effort and attention to detail, representing many hours of work by staff members throughout the organization, is required to produce a report of this quality. We would like to express our appreciation to all City of San Pablo staff members

who have taken the time to participate in the development of this year's Annual Comprehensive Financial Report. We also express our appreciation to the Mayor and the City Council for their interest and support in planning and conducting the financial activities of the City in a responsible and responsive manner.

Respectfully submitted,



Matt Rodriguez
City Manager



Arturo Castillo
Administrative Services Director

City of San Pablo Key Personnel

June 30, 2025

City Council

Arturo Cruz, Mayor

Elizabeth Pabon-Alvarado, Vice Mayor

Abel Pineda, Councilmember

Patricia Ponce, Councilmember

Rita Xavier, Councilmember

Council Appointees

Matt Rodriguez, City Manager

Brian Hickey, City Attorney

Elected Officials

Dorothy Gantt, City Clerk

Viviana Toledo, City Treasurer

City Staff

Brian Bubar, Chief of Police

Maria Ojeda, Assistant City Manager

Arturo Castillo, Administrative Services Director

Greg Dwyer, Community Services Director

Elizabeth Tyler, Community Development Director

Allan Panganiban, Public Works Director/City Engineer

CITY OF SAN PABLO ORGANIZATIONAL CHART, FY 2024/25; Revised 07/15/24 Reso. #2024-101

TOTAL FTE: 157 AND 7 ELECTED OFFICIALS (EO)

SAN PABLO CITY COUNCIL

7.0 EO

CITY ATTORNEY 1.0

1.0 Paralegal II

2.0 FTE

CITY MANAGER 1.0

1.0 Assistant City Clerk

1.0 Administrative Clerk I/II

8.0 FTE

HUMAN RESOURCES/RISK
MANAGER 1.0

HR OPERATIONS & RISK MGMT./WORKERS' COMP.
1.0 Management Analyst (HR Payroll & Benefits)
1.0 Management Analyst (HR/WC & Training)

ASSISTANT CITY MANAGER 1.0

CITY OPERATIONS OFFICER/PERSONNEL ADMINISTRATOR

ECONOMIC DEVELOPMENT
AND HOUSING MANAGER 1.0

1.0 Management Analyst (Housing)

COMMUNITY SERVICES

COMMUNITY SERVICES
DIRECTOR 1.0

RECREATION SERVICES

1.0 Community Services Manager
1.0 Community Services Supervisor
2.0 Community Services Coordinator I/II (1
VACANT/FROZEN)

SENIOR SERVICES

1.0 Community Services Coordinator I/II
1.0 Sr. Administration Clerk

YOUTH, SCHOOL & COMMUNITY
PARTNERSHIPS (YSCP)

1.0 Community Services Manager
1.0 Community Services Supervisor
2.0 Community Services Coordinator I/II

PARATRANSIT

1.0 Community Services Coordinator I/II
2.0 Paratransit Driver

13.0 FTE

COMMUNITY DEVELOPMENT

COMMUNITY DEVELOPMENT
DIRECTOR 1.0

BUILDING SERVICES

1.0 Chief Building Official
1.0 Senior Building Inspector
1.0 Sr. Permit Technician
2.0 Permit Technician
1.0 Administrative Clerk I/II

PLANNING SERVICES

3.0 Assistant/Associate Planner
1.0 Planning Aide
1.0 Administrative Secretary

12.0 FTE

ADMINISTRATIVE SERVICES

ADMINISTRATIVE SERVICES DIRECTOR
1.0

BUDGET & FISCAL SERVICES

1.0 Accounting Manager
1.0 Management Analyst
1.0 Accountant
2.0 Accounting Technician
1.0 Fiscal Clerk I/II

INFORMATION TECHNOLOGY SERVICES

1.0 Information Technology Manager
2.0 I.T. Administrator
2.0 I.T. Technician

12.0 FTE

PUBLIC WORKS
DEPARTMENT

PUBLIC WORKS DIRECTOR/
CITY ENGINEER 1.0

ENGINEERING

1.0 Management Analyst
1.0 Sr. Civil Engineer
1.0 Sr. PW Inspector
2.0 Assistant/Associate Engineer
1.0 Administrative Clerk I/II
1.0 Engineering Aide

ENVIRONMENTAL SERVICES

1.0 Environmental Programs Manager
1.0 Sr. Environmental Program Analyst
(VACANT/FROZEN)
2.0 Environmental Program Analyst (1
VACANT/FROZEN)

MAINTENANCE & FACILITIES

1.0 Maintenance & Operations Superintendent
2.0 Maintenance Supervisor
4.0 Sr. Maintenance Worker
9.0 Maintenance Worker I/II
1.0 Sr. Administrative Clerk

26.0 FTE

POLICE DEPARTMENT

CHIEF OF POLICE 1.0

SWORN STAFF

2.0 Police Captain (1 VACANT/FROZEN)
4.0 Police Lieutenant
10.0 Sergeant
45.0 Police Officer

NON-SWORN STAFF

1.0 Police Support Services Manager
1.0 Police Support Services Supervisor
1.0 Police Executive Assistant
9.0 Police Services Technician (1
VACANT/FROZEN)
4.0 Police Services Technician -Jailer
7.0 Police Admin. Clerk (1
VACANT/FROZEN)
1.0 Building Inspector
1.0 Sr. Maintenance Worker

84.0 FTE



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of San Pablo
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

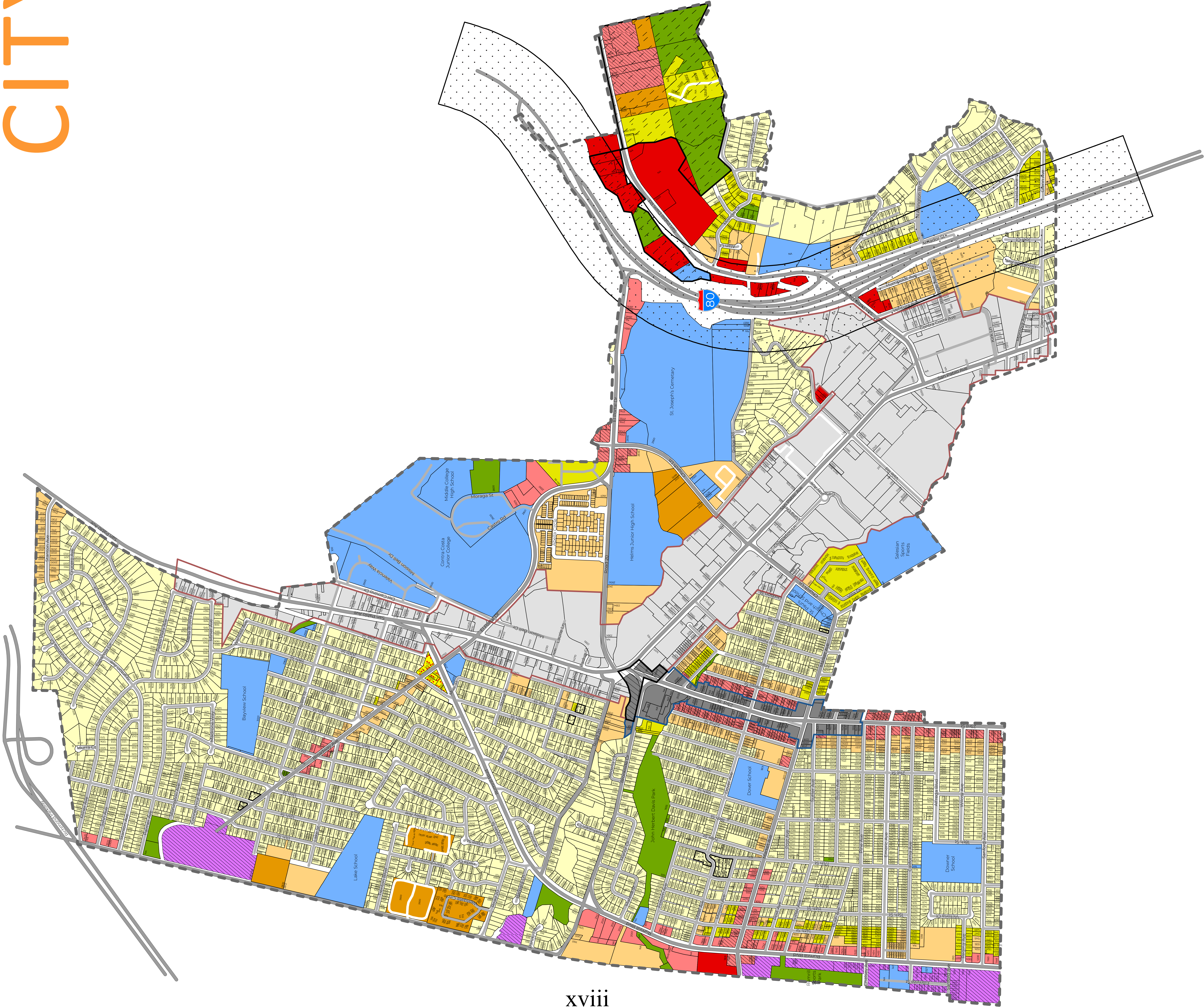
June 30, 2024

Christopher P. Morill

Executive Director/CEO

CITY OF SAN PABLO

Zoning District Map



San Pablo City Limit

Zoning Districts

R-1 Single-Family Residential District

R-2 Two-Family Residential District

R-3 Multifamily Residential

R-4 High-Density Multifamily Residential

RMU - Residential Mixed-Use District

NC - Neighborhood Commercial District

CR - Regional Commercial District

CMU - Commercial Mixed-Use District

IMU - Industrial Mixed-Use District

I - Institutional District

OS - Open Space District

Specific Plans

SP1 - 23rd Street Specific Plan

SP2 - San Pablo Avenue Specific Plan

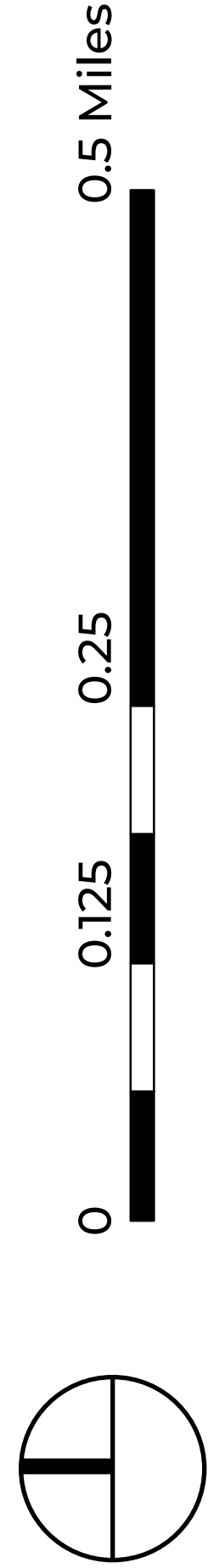
23rd Street/San Pablo Avenue Overlap

Overlay Districts

Air Quality Health Risk Overlay

Hillside Overlay

Multifamily Overlay



SOURCE: Contra Costa County, 2018; City of San Pablo, 2018

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of San Pablo, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, 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 the General Fund budgetary comparison as part of the basic financial statements for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

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



Pleasant Hill, California
December 17, 2025



CITY^{OF} SAN PABLO

City of New Directions

City of San Pablo (City) management offers readers an overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025. This report has been prepared in accordance with standards established by the Governmental Accounting Standard Board (GASB). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the basic financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements, which consists of three parts: (1) Government-Wide Financial Statements, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements. The financial statements presented herein include all of the activities of the City and its component units. The analysis below focuses on the primary government (i.e., the City). For analysis of activities of the City's discretely presented component unit, the San Pablo Economic Development Corporation (EDC), please refer to EDC's separately issued audit financial statements.

Government-Wide Financial Statements

The government-wide statements provide readers with a broad view of the City's finances, using the economic resources measurement focus and accrual basis of accounting. These accounting methods are similar to those used by private-sector companies. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid. Additionally, certain interfund receivables, payables and interfund activity have been eliminated. The government-wide financial statements include the governmental activities and the City's discretely presented component unit.

Fund Financial Statements

The fund financial statements provide readers with additional information about the City's major funds, how services were financed in the short term and fund balances available for financing future projects. Most of the City's funds excluding the City's General Fund have significant restrictions, commitments or other limitations which significantly affect the availability of their fund resources for future use.

Notes to the Financial Statements

These notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements and fund financial statements.

In addition to the basic financial statements and accompanying notes, this report also presents certain Required Supplementary Information concerning the City's progress in funding its obligation to provide pension and retiree health benefits to its employees. The combined statements for the non-major funds and custodial funds are presented immediately following the required supplementary information.

FINANCIAL SUMMARY

The City's Statements of Net Position are shown below for fiscal years 2024 and 2025, including descriptions of items included in the Statements:

Summary Statements of Net Position as of June 30, 2024 and 2025

	FY 2023-24	FY 2024-25	% Change
Assets			
Current Assets	\$143,843,657	\$118,431,533	-17.67%
Capital Assets	162,642,984	191,329,593	17.64%
Total Assets	306,486,641	309,761,126	1.07%
Deferred Outflow of Resources			
Related to Pensions	24,759,489	19,104,464	-22.84%
Related to OPEB	2,621,605	3,678,481	40.31%
Total Deferred Outflow	27,381,094	22,782,945	-16.79%
Liabilities			
Current Liabilities	11,447,637	10,224,377	-10.69%
Long-term Liabilities	123,543,604	121,712,722	-1.48%
Total Liabilities	134,991,241	131,937,099	-2.26%
Deferred Inflow of Resources			
Related to Pensions	2,992,589	1,360,621	-54.53%
Related to OPEB	5,350,103	5,436,424	1.61%
Total Deferred Inflow	8,342,692	6,797,045	-18.53%
Net Position			
Invested in Capital	125,612,534	128,034,378	1.93%
Restricted	22,300,236	36,672,663	64.45%
Unrestricted	42,621,032	29,102,886	-31.72%
Total Net Position	\$190,533,802	\$193,809,927	1.72%

- **Current Assets**
This includes unrestricted cash and investments and items such as receivables and prepaid items expected to be converted into cash within one year.
- **Capital Assets**
Included is the land held for development and capital assets consisting of land, buildings, improvements, infrastructure, vehicles and equipment. These items provide services to the community and are not available for future spending.
- **Current Liabilities**
Represents liabilities expected to be paid with cash within one year.
- **Long-Term Liabilities**
This includes the outstanding obligations for the City, including the City's long-term debt for pensions, OPEB, compensated absences, leases, claims outstanding and bonded debt.
- **Net Position** Net investment in capital assets represents the City's capital assets net of accumulated depreciation and related debt. The restricted portion is subject to externally imposed restrictions for activities such as capital projects, debt service, and community development and is not available for general operations. The unrestricted portion is available for general operations.

Summary Statements of Activities as of June 30, 2024 and 2025

Revenues include charges for services, collected for services to the public such as recreational classes, grants and contributions, representing funding received from other governments and organizations for the purpose of financing the operating and capital costs of a special program.

Program Revenues:	FY 2023-24	FY 2024-25	% Change
Charges for Services	\$2,674,977	\$2,758,251	3.1%
Operating Grants and Contributions	3,194,263	3,315,224	3.8%
Capital Grants and Contributions	6,170,774	5,481,703	-11.2%
Total Program Revenues	12,040,014	11,555,178	-4.0%
General Revenues:			
Property Taxes	3,241,372	3,594,629	10.9%
Sales Taxes	6,035,256	5,989,797	-0.8%
Utility Taxes	3,260,238	3,412,793	4.7%
Transient Occupancy Taxes	529,220	586,535	10.8%
Franchise Taxes	598,519	421,403	-29.6%
Payment in Lieu of Taxes	2,228,919	2,273,498	2.0%
Other Taxes	62,236	48,528	-22.0%
Motor Vehicle Taxes	3,529,543	3,670,938	4.0%
Casino Contract Revenues	30,701,521	31,295,008	1.9%
Use of Money and Property	5,778,614	5,553,865	-3.9%
Gain from Sale of Capital Assets	3,053,739		-100.0%
Miscellaneous	110,204	1,645,115	1392.8%
Total General Revenues	59,129,381	58,492,109	-1.1%
Total Revenues	71,169,395	70,047,287	-1.6%
Expenses:			
General Administration	19,629,548	21,305,280	8.5%
Community Services	3,203,879	3,426,821	7.0%
Community Development	3,229,935	3,469,323	7.4%
Community Housing	168,641	302,204	79.2%
Public Works & Engineering	9,881,466	11,489,960	16.3%
Police	25,412,899	24,672,749	-2.9%
Interest on Long-term Debt	2,138,710	2,104,825	-1.6%
Total Expenses	63,665,078	66,771,162	4.9%
Change in Net Position	7,504,317	3,276,125	-56.3%
Net Position, Beginning of the Year	183,029,485	190,533,802	4.1%
Net Position, End of the Year	\$190,533,802	\$193,809,927	1.7%

Expenses include:

- City Council
- City Manager
- Human Resources
- Housing
- Information Technology
- City Attorney
- Finance
- Police
- Public Works
- Community Development
- Community Services

DETAILED ANALYSIS

The financial statements present information on the financial health of the City. Highlights for the year ended June 30, 2025, are noted as follows:

Entity-Wide Analysis

Net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets plus deferred outflows exceeded liabilities plus deferred inflows at the close of Fiscal Year (FY) 2025 with a net position of \$193.8 million (*Statement of Net Position*, Page 14). Of this amount, \$29.1 million is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors. This is not, however, the same as an operating budget surplus. Restricted net positions increased by \$14.4 million due to their attribution to capital projects. This increase reflects the ongoing investment in infrastructure and development within the City.

Capital assets reported a net increase of \$28.7 million over the end of the previous fiscal year. Major capital additions are discussed in the Significant Capital Assets & Long-Term Financing Activities section.

The Statement of Activities reflects the fact that the City's net position increased by \$3.3 million in the current fiscal year. The increase is attributed to the decrease in pension liabilities net of increase in deferred outflows of resources.

Fund-Level Analysis

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for various purposes. The fund financial statements focus on individual parts of the City government, reporting City operations in more detail than the government-wide statements.

The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. The City's governmental funds reported a combined fund balance on June 30, 2025, of \$95.2 million, a decrease of \$24 million over the end of the previous fiscal year. (See Statement of Revenues Expenditures and Changes in Fund Balance Government Funds, Page 20).

As of the close of the current fiscal year, the City's Governmental Funds fund balance (*Governmental Funds – Balance Sheet*, Page 18) consisted of the following components:

Assigned for future development projects	\$57,300,965
Committed for General Fund carry-over	1,728,728
Non-spendable (includes prepaids, land held for redevelopment and loan)	9,673
Restricted by outside parties/obligations	33,117,183
Unassigned (includes reserves)	3,006,374
Total Fund Balance at June 30, 2025	\$95,162,923

A summary of net changes by fund group is shown in the table below.

Summary of Net Changes to Fund Balance by Fund Group

Fund Balance	General Fund	Low and Moderate Income Housing Assets	Public Works Construction	Other Governmental Funds	Total Governmental Funds
Beginning Fund Balance	\$74,845,868	\$10,869,430	\$(2,011,402)	\$35,441,816	\$119,145,712
Ending Fund Balance	63,347,268	11,596,299	10,137,239	10,082,117	95,162,923
Net Change	\$(11,498,600)	\$726,869	\$12,148,641	\$(25,359,699)	\$(23,982,789)
Percent Change	-15.4%	6.7%		-71.6%	-20.1%

General Fund

General Fund is the chief operating fund of the City and the overall fund balance decreased by \$11.5 million or 15.4%. In FY 2022-23, the General Fund had an unprecedented increase of \$9.1 million as it received one-time revenues of \$2.2 million reimbursement for prior year costs from 2015A JPFA Lease Revenue Bonds, \$3.7 million from ARPA funds, and \$2.9 from the sale of the old City Hall. At the close of the fiscal year, the General Fund reported total assets of \$67.7 million and a total fund balance of \$63.3 million (*Governmental Funds – Balance Sheet*, Page 18). This represents a decrease in fund balance of \$11.5 million, or 15.4% from the prior fiscal year. The decrease was mainly due to the city transferring over \$10.4 million from General Fund to the San Pablo Police Headquarters capital project.

The recording of ARPA funds as General Fund monies causes fluctuations outside the general revenues and expenses the City anticipates. Revenue from ARPA was received in fiscal years 2021-22 and 2022-23. As the City spends these funds (required to be fully spent by December 31, 2026), the General Fund balance will more accurately reflect the City's general operating revenues and expenditures. In fiscal year 2024-25, the City spent \$560,234 in ARPA funds.

General fund budgetary highlights

Over the course of the year, the City Council revised the City budget several times. These budget amendments fall into two categories: (1) Changes made at the midyear budget review for unanticipated revenues and costs; (2) increases in appropriations for projects or contracts as needed to manage and prevent budget overruns. After taking into account these adjustments, General Fund revenues were higher than the final budget by \$4.1 million (7.9%), which is primarily attributable to the reimbursement from 2015A Lease Revenue Bonds, recognition of ARPA funds, and the gain from sale of the old City Hall.

General Fund expenses were lower than the final budget by \$4.2 million (7.8%). This is due to the lower spending in capital expenditures, and lower spending in Parks and Recreation as planned activities recovered slower than anticipated.

For a more detailed description of budgetary changes and variances, please see the Budgetary Comparison Schedule for the General Fund, included within the Required Supplementary Information section of this report.

Low and Moderate Income Housing Assets Fund

A small increase in the fund balance for the Low- and Moderate-Income Housing Assets Fund is due to loan repayments and interest earned during the fiscal year.

Public Works Construction Fund

A \$12.1 million decrease in the fund balance for the Public Works Construction Fund is due to the city's San Pablo Police Headquarters capital project fund balance.

Other Governmental Funds

Other Governmental Funds reflect a decrease in fund balance of \$25.4 million, which is attributed to an increase in intergovernmental revenues.

SIGNIFICANT CAPITAL ASSETS & LONG-TERM FINANCING ACTIVITIES

Capital Assets

The capital assets of the City are those assets which are used in the performance of the City's functions, including infrastructure assets. At June 30, 2025, the City had invested \$191.3 million (net of accumulated depreciation) in a broad range of capital assets, including equipment, vehicles, building, and park facilities. This year's major capital assets additions included:

- Rumrill Blvd Complete Street Project (0700) - \$2,090,336,
- Sutter Avenue Green Street Project (0300) - \$4,704,150,
- Police Headquarters and Public Safety Training Center (0104) - \$23,835,814.

Refer to Note 6 of this report for more detailed information regarding capital assets. The City has elected to use the depreciation method as allowed by GASB Statement No. 34 for eligible infrastructure reporting.

Debt Administration

On February 18, 2015, the City of San Pablo Joint Powers Financing Authority issued \$4,255,000 and \$11,555,000 in 2015 Lease Revenue Bonds, Series A and B. The proceeds of these bonds were used to finance certain capital improvement projects and property acquisitions for the City, including a library facility and upgrades to City Hall. On February 1, 2022, the outstanding balance of the 2015B Lease Revenue Bonds were refunded and defeased with the issuance of the 2022 Lease Revenue Bonds. As of the close of the current fiscal year, the outstanding balance of the 2015A Lease Revenue Bonds was \$3,595,000.

On January 31, 2018, the City of San Pablo Joint Powers Financing Authority issued an additional \$15,325,000 in 2018 Lease Revenue Bonds. The proceeds of these bonds were used to finance construction of a new City Hall. As of the close of the current fiscal year, the outstanding balance of the 2018 Lease Revenue Bonds was \$14,330,000.

On February 1, 2022, the City of San Pablo Joint Powers Financing Authority issued an additional \$30,470,000 in 2022 Lease Revenue Bonds. The proceeds of these bonds were used to finance construction of the Police Headquarters and Public Safety Training Center Project and to refund and release all of the outstanding Lease Revenue Bonds, Series 2015B. As of the close of the current fiscal year, the outstanding balance of the 2022 Lease Revenue Bonds was \$29,745,000.

Refer to Note 7 of this report for detailed information regarding long term debt.

CURRENT KNOWN FACTS, DECISIONS, OR CONDITIONS

The City annually prepares a financial plan, which focuses on the long-term financial viability and allows decision makers to understand the future impact of policy decisions made today. Multi-year planning provides both an early warning of adverse financial trends and more time to implement changes to ensure better outcomes.

Budget development is guided by a series of policies adopted by the City Council, which guides long-term planning, minimum reserve levels, employee compensation, cash and debt management. The City's FY 2024/25 budget which includes the Capital Improvement Program budget can be found at <https://sanpabloca.gov/407/City-Financial-Reports>

The budget was based on these key assumptions:

- Casino Business Tax – Annual increases of 1.9%.
- Sales Tax (Bradley Burns and Measure Q/S) – The budget projection assumes continued modest growth during this recovery period from COVID-19 as well as offsetting increased cost of sales and possible decline in customer purchases related to inflation.
- Property Tax In Lieu – This budget increases annually in proportion to the growth in gross assessed valuation in the City.
- Property Tax – Budgeted with minimal growth over 5 years.
- Salaries and Benefits - were projected to increase based on negotiations with labor unions as well as increased staffing costs such as workers compensation insurance, health benefits and pension contributions.
- Insurance Costs - Increased general liability insurance for the City due to increasing rates in the insurance market.

Long-Term Financial Challenges- While the City has made measurable progress in improving its financial position, unfunded liabilities continue to present challenges to both long-term financial solvency and service-level sustainability. In response, the City continues to implement financial strategies outlined in its Unfunded Liability Management Policy to mitigate these ongoing obligations.

General Fund Support of Special Funds - The City's General Fund continues to provide financial support to certain Special Funds that impact overall operational costs:

- Landscaping and Lighting Assessment District (LLAD) – The LLAD operated at a deficit exceeding \$800,000 in FY 2024/25. This fund has historically operated at a deficit, resulting in recurring impacts on the City's operating budget. The City will continue to monitor expenditures and evaluate the long-term operational and fiscal implications.
- Road Maintenance – Road Maintenance activities also experienced a deficit exceeding \$800,000 in FY 2024/25. General Fund revenues were used to support these essential services. With declining Gas Tax revenues, the City will need to identify alternative funding sources to sustain service levels.

Reserve Policy and Fiscal Resiliency - During FY 2024-25, the City revised its Fiscal Resiliency Reserve Policy (FRRP) to designate specific funding for unfunded liabilities. As part of this update, the City established three (3) new reserve funds, increasing the total number of reserve funds to ten (10). These reserve funds support capital and repair projects, vehicle and equipment replacement, and other strategic priorities, including mitigating potential volatility in Casino revenue. Collectively, the City's reserve structure enabled the allocation of more than \$57 million toward long-term financial stability, risk management, and fiscal resiliency.

Implementation of the FRRP resulted in a reduction of the General Fund unassigned fund balance to \$3 million, as resources were intentionally reallocated to designated reserve funds. This strategic realignment strengthens the City's overall financial sustainability and enhances its capacity to address unforeseen expenses and long-term liabilities.

Notes to the Financial Statements

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the Government-wide and Fund Financial Statements. The Notes to the financial statements can be found on Pages 27-76 of this report.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This Annual Comprehensive Financial Report (ACFR) is designed to provide a general overview of the City's finances. This report can be obtained at no cost from the City's website at <https://sanpabloca.gov/407/City-Financial-Reports>. If you have questions about this report, or need any additional financial information, contact the City's Finance Department at <https://sanpabloca.gov/2853/Public-Records-Request>.

STATEMENT OF NET POSITION AND STATEMENT OF ACTIVITIES

The Statement of Net Position and the Statement of Activities summarize the entire City's financial activities and financial position. They are prepared on the same basis as is used by most businesses, which means they include all the City's assets, all its deferred inflows/outflows of resources and all its liabilities, as well as all its revenues and expenses. This is known as the full accrual basis—the effect of all the City's transactions is taken into account, regardless of whether or when cash changes hands, but all material internal transactions between City funds have been eliminated.

The Statement of Net Position reports the difference between the City's total assets and deferred outflows of resources and the City's total liabilities and deferred inflows of resources, including all the City's capital assets and all its long-term debt. The Statement of Net Position presents information in a way that focuses the reader on the composition of the City's net position, by subtracting total liabilities and deferred inflows of resources from total assets and deferred outflows of resources.

The Statement of Net Position summarizes the financial position of all of the City's Governmental Activities in a single column. The City's Governmental Activities include the activities of its General Fund, along with all its Special Revenue, Capital Projects and Debt Service Funds that present the financial position of the primary government. This column is followed by a column that displays the discretely presented component unit.

The Statement of Activities reports increases and decreases in the City's net position. It is also prepared on the full accrual basis, which means it includes all the City's revenues and all its expenses, regardless of when cash changes hands. This differs from the "modified accrual" basis used in the Fund financial statements, which reflect only current assets, current liabilities, available revenues and measurable expenditures.

The Statement of Activities presents the City's expenses first, listed by program. Program revenues—that is, revenues which are generated directly by these programs—are then deducted from program expenses to arrive at the net expense of each governmental program. The City's general revenues are then listed in the Governmental Activities or discretely presented component unit and the Change in Net Position is computed and reconciled with the Statement of Net Position.

Both these Statements include the financial activities of the City and the City of San Pablo Joint Powers Financing Authority. The balances and the activities of the discretely present component unit of the San Pablo Economic Development Corporation are included in these statements as separate columns.

CITY OF SAN PABLO
STATEMENT OF NET POSITION
JUNE 30, 2025

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Economic Development Corporation</u>
ASSETS		
Cash and investments available for operations (Note 3)	\$92,875,670	\$3,544,974
Restricted cash and investments (Note 3)	1,177,228	
Accounts receivable, net	3,118,808	59,476
Due from other governments, net	3,989,908	
Interest receivable	620,586	
Prepays and deposits (Note 1H)	1,098	240
Net OPEB Asset (Note 10C)	2,969,072	
Employee loans receivable (Note 5A)	8,575	
Loan receivable (Note 5B)	300,000	
Notes receivable under former Redevelopment		
Agency programs, net (Note 5C)	13,370,588	
Capital assets (Note 6):		
Land and construction in progress	55,859,116	
Depreciable capital assets, net	<u>135,470,477</u>	<u>1,218,417</u>
Total Assets	<u>309,761,126</u>	<u>4,823,107</u>
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions (Note 9B)	19,104,464	
Related to OPEB (Note 10E)	<u>3,678,481</u>	
Total Deferred Outflows of Resources	<u>22,782,945</u>	
LIABILITIES		
Accounts payable and accrued liabilities	5,866,645	18,652
Deposits payable	732,402	
Claims payable, due within one year (Note 12)	99,485	
Unearned revenue	29,903	335,487
Compensated absences (Note 1G):		
Due within one year	2,451,986	
Due in more than one year	455,958	
Long-term debt (Note 7):		
Due within one year	935,000	
Due in more than one year	49,001,169	1,300,000
Net pension liability, due in more than one year (Note 9B)	58,991,615	
Lease liability (Note 15)		
Due within one year	108,956	
Due in more than one year	<u>13,263,980</u>	
Total Liabilities	<u>131,937,099</u>	<u>1,654,139</u>
DEFERRED INFLOWS OF RESOURCES		
Related to pensions (Note 9B)	1,360,621	
Related to OPEB (Note 10E)	<u>5,436,424</u>	
Total Deferred Inflows of Resources	<u>6,797,045</u>	
NET POSITION (Note 8)		
Net investment in capital assets	<u>128,034,378</u>	<u>(81,583)</u>
Restricted for:		
Capital projects	19,651,428	
Low and moderate income housing	13,047,163	
Other Post-Employment Benefits	2,969,072	
Pension Benefits	1,153,264	
Economic development projects		<u>3,250,551</u>
Total restricted net position	<u>36,820,927</u>	<u>3,250,551</u>
Unrestricted net position	<u>28,954,622</u>	
Total Net Position	<u>\$193,809,927</u>	<u>\$3,168,968</u>

See accompanying notes to financial statements

CITY OF SAN PABLO
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

					Net (Expense) Revenue and Changes in in Net Position	Net (Expense) Revenue and Changes in in Net Position
					Primary Government	Component Unit
					Governmental Activities	Economic Development Corporation
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants		
Primary Government:						
Governmental Activities:						
General Government	\$21,305,280	\$497,087			(\$20,808,193)	
Community Services	3,426,821	189,111			(3,237,710)	
Community Development	3,469,323	1,355,220	\$8,093	\$362,915	(1,743,095)	
Housing	302,204		727,509		425,305	
Public Works & Engineering	11,489,960	3,200	1,884,517	5,118,788	(4,483,455)	
Police	24,672,749	713,633	695,105		(23,264,011)	
Interest on long-term debt	2,104,825				(2,104,825)	
Total Governmental Activities	\$66,771,162	\$2,758,251	\$3,315,224	\$5,481,703	(55,215,984)	
Component Unit:						
Economic Development Corporation	\$1,554,883	\$65,624	\$1,358,202			(\$131,057)
General Revenues:						
Taxes:						
Property taxes					3,594,629	
Sales taxes					5,989,797	
Utility taxes					3,412,793	
Transient occupancy taxes					586,535	
Franchise taxes					421,403	
Payment in lieu of taxes					2,273,498	
Casino contract revenues					31,295,008	
Other taxes					48,528	
Intergovernmental unrestricted:						
Motor vehicle in lieu fees					3,670,938	
Use of money and property					5,553,865	
Other revenue						241,185
Miscellaneous					1,645,115	
Total General Revenues					58,492,109	241,185
Change in Net Position					3,276,125	110,128
Net Position - Beginning					190,533,802	3,058,840
Net Position - Ending					\$193,809,927	\$3,168,968

See accompanying notes to financial statements



CITY^{OF} SAN PABLO

City of New Directions

FUND FINANCIAL STATEMENTS

Major funds are defined generally as having significant activities or balances in the current year.

The funds described below were determined to be Major Funds by the City for fiscal 2025. Individual non-major funds may be found in the Supplemental Section.

GENERAL FUND

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

LOW AND MODERATE INCOME HOUSING ASSETS

This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by California redevelopment law and all revenues from the collection of loan repayments must be used to provide housing for people with low and moderate incomes.

PUBLIC WORKS CONSTRUCTION

This fund accounts for major City capital improvement projects.

CITY OF SAN PABLO
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General	Low and Moderate Income Housing Assets	Public Works Construction	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments available for operations (Note 3)	\$61,374,329	\$11,609,203	\$9,314,586	\$10,577,552	\$92,875,670
Restricted cash and investments (Note 3)	1,153,264			23,964	1,177,228
Accounts receivable	3,098,808			20,000	3,118,808
Due from other governments	1,137,844		1,656,032	1,196,032	3,989,908
Prepays and deposits	1,098				1,098
Interest receivable	620,586				620,586
Employee loans receivable (Note 5A)	8,575				8,575
Loan receivable (Note 5B)	300,000				300,000
Redevelopment Agency program loans, net (Note 5C)		13,370,588			13,370,588
Total Assets	\$67,694,504	\$24,979,791	\$10,970,618	\$11,817,548	\$115,462,461
LIABILITIES					
Accounts payable and accrued liabilities	\$3,594,842	\$12,904	\$833,379	\$1,425,520	\$5,866,645
Deposits payable	422,491			309,911	732,402
Deferred revenue	29,903				29,903
Total Liabilities	4,047,236	12,904	833,379	1,735,431	6,628,950
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - loans and notes receivable	300,000	13,370,588			13,670,588
Total Deferred Inflows of Resources	300,000	13,370,588			13,670,588
FUND BALANCES					
Fund balance (Note 8):					
Nonspendable	9,673				9,673
Restricted	1,301,528	11,596,299	10,137,239	10,082,117	33,117,183
Committed	1,728,728				1,728,728
Assigned	57,300,965				57,300,965
Unassigned	3,006,374				3,006,374
Total Fund Balances	63,347,268	11,596,299	10,137,239	10,082,117	95,162,923
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$67,694,504	\$24,979,791	\$10,970,618	\$11,817,548	\$115,462,461

See accompanying notes to financial statements

CITY OF SAN PABLO
Reconciliation of the
GOVERNMENTAL FUNDS BALANCE SHEET
with the
STATEMENT OF NET POSITION
JUNE 30, 2025

FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	\$95,162,923
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds because of the following:

CAPITAL ASSETS TRANSACTIONS

Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental funds.	191,329,593
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NON-CURRENT REVENUES

Revenues which are unavailable on the Fund Balance Sheets because they are not available currently are taken into revenue in the Statement of Activities.	13,670,588
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LONG TERM ASSETS, LIABILITIES AND DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

The assets, deferred outflows of resources, liabilities and deferred inflows of resources below are not due and payable in the current period and therefore are not reported in the Funds:

Deferred outflows of resources related to pensions	19,104,464
Deferred outflows of resources related to OPEB	3,678,481
Claims payable	(99,485)
Compensated absences	(2,907,944)
Long-term debt	(49,936,169)
Net pension liability	(58,991,615)
Net OPEB asset	2,969,072
Lease liability	(13,372,936)
Deferred inflows of resources related to pensions	(1,360,621)
Deferred inflows of resources related to OPEB	(5,436,424)

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$193,809,927</u></u>
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See accompanying notes to financial statements

CITY OF SAN PABLO
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General	Low and Moderate Income Housing Assets	Public Works Construction	(Formerly major) 2022 JPFA Lease Revenue Bonds	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$1,876,160				\$856,912	\$2,733,072
Sales taxes	4,797,426				1,755,445	6,552,871
Utility users tax	3,412,793					3,412,793
Casino contract revenues	30,839,005					30,839,005
Other taxes	3,329,964				590,970	3,920,934
Licenses and permits					431,003	431,003
Fines and forfeits	152,321					152,321
Intergovernmental	4,709,586	\$13,092	\$4,624,863		2,639,785	11,987,326
Charges for services	784,658				1,135,609	1,920,267
Use of money and property	4,395,122	1,015,981			1,073,884	6,484,987
Miscellaneous	1,580,950				31,214	1,612,164
Total Revenues	55,877,985	1,029,073	4,624,863		8,514,822	70,046,743
EXPENDITURES						
Current:						
General Government	18,013,504				1,885,246	19,898,750
Community Services	3,342,765					3,342,765
Community Development					2,389,103	2,389,103
Housing		302,204				302,204
Public Works & Engineering	3,612,649				4,018,109	7,630,758
Police	23,178,618					23,178,618
Capital outlay	1,205,196		32,795,569		61,855	34,062,620
Debt service:						
Principal retirement	100,785				900,000	1,000,785
Interest and fiscal charges	402,850				1,821,079	2,223,929
Total Expenditures	49,856,367	302,204	32,795,569		11,075,392	94,029,532
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,021,618	726,869	(28,170,706)		(2,560,570)	(23,982,789)
OTHER FINANCING SOURCES (USES)						
Transfers in (Note 4A)	223,796		40,576,030		5,678,891	46,478,717
Transfers (out) (Note 4A)	(17,744,014)		(256,683)		(28,478,020)	(46,478,717)
Total Other Financing Sources (Uses)	(17,520,218)		40,319,347		(22,799,129)	
NET CHANGE IN FUND BALANCES	(11,498,600)	726,869	12,148,641		(25,359,699)	(23,982,789)
Fund balances at beginning of period, as previously reported	74,845,868	10,869,430	(2,011,402)	\$27,398,538	8,043,278	119,145,712
Adjustment - changes from major fund to nonmajor fund				(27,398,538)	27,398,538	
Fund balances at beginning of period, as adjusted	74,845,868	10,869,430	(2,011,402)		35,441,816	119,145,712
FUND BALANCES AT END OF PERIOD	\$63,347,268	\$11,596,299	\$10,137,239		\$10,082,117	\$95,162,923

See accompanying notes to financial statements

CITY OF SAN PABLO
Reconciliation of the
NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS
with the
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Revenues, Expenditures and Changes in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	(\$23,982,789)
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay and improvement expenditures are added back to fund balance	34,029,796
Depreciation expense is deducted from fund balance	(5,343,187)

LONG-TERM DEBT PROCEEDS AND PAYMENTS

Debt and lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt and lease principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities

Repayment of debt, lease principal, and bond premium amortization is added back to fund balance	1,119,889
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NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds (net change):

Compensated absences	(257,871)
Claims payable	27,220
Unavailable revenue - loans and notes receivable	544
Net pension liability and deferred outflows/inflows of resources related to pensions	(3,497,323)
Net OPEB asset and deferred outflows/inflows of resources related to OPEB	1,179,846

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$3,276,125
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See accompanying notes to financial statements

CITY OF SAN PABLO
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Property taxes	\$1,773,000	\$1,773,000	\$1,876,160	\$103,160
Sales taxes	5,065,000	5,065,000	4,797,426	(267,574)
Utility users tax	3,075,000	3,075,000	3,412,793	337,793
Casino contract revenues	31,689,000	31,689,000	30,839,005	(849,995)
Other taxes	3,675,000	3,675,000	3,329,964	(345,036)
Fines and forfeits	250,000	250,000	152,321	(97,679)
Intergovernmental:				
Motor vehicle in lieu	3,575,872	3,613,372	3,670,938	57,566
Other	583,500	708,700	1,038,648	329,948
Charges for services	550,500	550,500	784,658	234,158
Use of money and property	1,359,000	1,359,000	4,395,122	3,036,122
Miscellaneous	1,991,291	30,000	1,580,950	1,550,950
Total Revenues	53,587,163	51,788,572	55,877,985	4,089,413
EXPENDITURES				
Current:				
General Government	23,673,024	17,938,975	18,013,504	(74,529)
Community Services	4,237,250	4,962,696	3,342,765	1,619,931
Public Works & Engineering	2,475,723	4,048,372	3,612,649	435,723
Police	23,964,357	24,888,622	23,178,618	1,710,004
Capital outlay		1,713,448	1,205,196	508,252
Debt Service:				
Principal		100,785	100,785	
Interest and fiscal charges		402,850	402,850	
Total Expenditures	54,350,354	54,055,748	49,856,367	4,199,381
EXCESS OF REVENUES OVER EXPENDITURES	(763,191)	(2,267,176)	6,021,618	8,288,794
OTHER FINANCING SOURCES (USES)				
Transfers in	710,711	37,349,845	223,796	(37,126,049)
Transfers (out)	(7,520,755)	(54,419,333)	(17,744,014)	36,675,319
Total Other Financing Sources (Uses)	(6,810,044)	(17,069,488)	(17,520,218)	(450,730)
NET CHANGE IN FUND BALANCE	(\$7,573,235)	(\$19,336,664)	(11,498,600)	\$7,838,064
Fund balance at beginning of year			74,845,868	
FUND BALANCE AT END OF YEAR			\$63,347,268	

See accompanying notes to financial statements

FIDUCIARY FUNDS

FIDUCIARY FUNDS

These funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments. The financial activities of these funds are excluded from the City-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

RETIREE HEALTH SAVINGS PLAN TRUST FUND

The Fund is used to account for the medical and dental benefits for former employees of the City.

SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY

The Fund is used to account for the activities of the Successor Agency to the former Redevelopment Agency of the City of San Pablo.

CUSTODIAL FUNDS

Custodial Funds accounts for assets held by the City as an agent for individuals, governmental entities and non-public organizations.

CITY OF SAN PABLO
FIDUCIARY FUNDS
STATEMENTS OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Retiree Health Savings Plan Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Custodial Funds
ASSETS			
Restricted cash and investments (Note 3):			
Pooled with City cash and investments		\$1,488,982	\$18,256,714
Mutual fund	\$17,109,452		
Accounts receivable		20,039	
Due from other governments			47,451
Loans receivable (Note 13B)		1,939,701	
Property held for resale (Note 13C)		4,626,151	
Capital assets (Note 13D):			
Land and land improvements		2,819,393	
Depreciable capital assets, net		699,295	
	<u>17,109,452</u>	<u>11,593,561</u>	<u>18,304,165</u>
Total Assets			
LIABILITIES			
Accounts payable		230,300	80,373
Unearned revenue			40,001
Deposits payable			12,822
Long-term obligations (Note 13E):			
Due in one year		3,725,585	
Due in more than one year		20,053,322	
	<u>24,009,207</u>		<u>133,196</u>
Total Liabilities			
NET POSITION (DEFICIT):			
Restricted for OPEB	17,109,452		
Restricted for other governments		(12,415,646)	17,233,059
Held for other organizations			937,910
	<u>\$17,109,452</u>	<u>(\$12,415,646)</u>	<u>\$18,170,969</u>
Total Net Position			

See accompanying notes to financial statements

CITY OF SAN PABLO
STATEMENTS OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Retiree Health Savings Plan Trust Fund	Successor Agency to the Redevelopment Agency Private-Purpose Trust	Custodial Funds
ADDITIONS			
Property taxes		\$5,357,029	
Employer contributions	\$638,980		
Bingo revenues			\$172,615
Member contributions			600,461
Charges for services			1,073,206
Net investment income	1,947,233	495,252	1,464,168
Miscellaneous		29,575,654	
	<u>2,586,213</u>	<u>35,427,935</u>	<u>3,310,450</u>
DEDUCTIONS			
Premiums paid	638,980		
Community development		30,236,517	
Personnel-related			940,984
Professional services			376,718
Program-related			656,193
Depreciation (Note 13D)		64,115	
Debt service:			
Interest and fiscal charges		1,252,062	
	<u>638,980</u>	<u>31,552,694</u>	<u>1,973,895</u>
Total Deductions			
	<u>638,980</u>	<u>31,552,694</u>	<u>1,973,895</u>
Change in Net Position	1,947,233	3,875,241	1,336,555
NET POSITION:			
Beginning of year	<u>15,162,219</u>	<u>(16,290,887)</u>	<u>16,834,414</u>
End of year	<u><u>\$17,109,452</u></u>	<u><u>(\$12,415,646)</u></u>	<u><u>\$18,170,969</u></u>

See accompanying notes to financial statements



CITY^{OF} SAN PABLO

City of New Directions

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The City of San Pablo (City) was incorporated as a general law city on April 27, 1948. San Pablo is a community of approximately 29,465 residents situated in Contra Costa County on the east side of San Francisco Bay. San Pablo is located approximately 17 miles east of the City of San Francisco and 12 miles north of the City of Oakland and is surrounded by the City of Richmond. The City operates under the Council-Manager form of government and provides the following services: public safety, highways and streets, recreation, public improvements, planning and zoning and general administration services.

The City is governed by a five member council elected by City residents. The City is legally separate and fiscally independent which means it can issue debt, set and modify budgets and fees and sue or be sued. The accompanying basic financial statements include the financial activities of the City as well as separate legal entities which are described below.

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government.

PRIMARY GOVERNMENT

The financial statements of the primary government of the City of San Pablo include the activities of the City as well as the City of San Pablo Joint Powers Financing Authority, which is controlled by and dependent on the City. While it is a separate legal entity, its financial activities are integral to those of the City. The financial activities have been aggregated and merged (termed "blended") with those of the primary government of the City in the accompanying financial statements.

Blended Component Units

The City of San Pablo Joint Powers Financing Authority (Authority) is a separate governmental entity whose purpose is to assist in the financing and refinancing of certain redevelopment activities of the former Redevelopment Agency and certain programs and projects of the City. The Authority is administered by a Governing Board whose members are the City Council of the City of San Pablo. The Authority does not issue separate financial statements.

The City of San Pablo Retiree Health Savings Plan is governed by the City's Resolution 2007-024 and is used to account for contributions and investment income restricted to pay medical and dental benefits. Benefit and contribution provisions are established by the City Council. Eligibility, actuarial interest rates, administration and certain other tasks are the responsibility of the Council established by the above Resolution. The financial activities of the Plan have been included in these financial statements in the Retiree Health Savings Plan Trust Fund. The Plan does not issue separate financial statements.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

DISCRETELY PRESENTED COMPONENT UNIT

The San Pablo Economic Development Corporation (EDC) is a California nonprofit public benefit Corporation formed in February 2011 by the City and the former Redevelopment Agency under the laws of the State of California. The Corporation was organized for the purpose of providing physical, economic and educational development, redevelopment, and revitalization efforts within the City. The Corporation entered into a Service Agreement with the City under which the Corporation will perform requested services on an independent contractor basis to eliminate blight, provide affordable housing, improve the public realm, facilitate public and private developments, stimulate economic development, and create jobs. The Corporation was controlled by the City and had the same governing body as the City, which also performs all accounting and administrative functions for the Corporation. The Corporation was governed by a board of directors consisting of the members of the City Council.

In May 2012 the City Council, serving in its capacity as the governing board of the Corporation, adopted a resolution approving modifications to the governing board. Effective May 16, 2012, the governing board of the Corporation consists of two Councilmembers and three members of the community, however, for the period May 16, 2012 through September 1, 2012, the Corporation's operations remained financially integrated with those of the City and City staff continued to provide accounting, administrative and managerial services for the Corporation. As a result of this financial integration, the Corporation continued to be reported as a component unit of the City through September 1, 2012, and the financial activities of the Corporation were previously reported in the Economic Development Special Revenue Fund through that date.

Effective September 1, 2012, the City transferred assets and liabilities of the Corporation to the Corporation's own administrative staff, and all accounting and managerial functions of the Corporation are now performed by its own staff. The City continues to provide the primary funding for the activities of the Corporation, therefore, the financial activities of the Corporation are discretely presented in the Economic Development Corporation Component Unit column of the Statement of Net Position and the Statement of Activities. Separate financial statements for the Corporation may be obtained by contacting the San Pablo Economic Development Corporation, 1000 Gateway Avenue, San Pablo, CA 94806.

B. Basis of Presentation

The City's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

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

Government-wide Statements: The Statement of Net Position and the Statement of Activities display information about the primary government (the City) and its blended and discretely presented component units. These statements include the financial activities of the overall City government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational needs of a particular program and (c) capital grants and contributions, all of which are capital grants under California law. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category—*governmental* and *fiduciary*—are presented. The emphasis of fund financial statements is on major individual governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

C. Major Funds

Major funds are defined as governmental funds which have either assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures equal to ten percent of their fund-type total and five percent of the grand total. The General Fund is always a major fund. The City may select other governmental funds it believes should be presented as major funds.

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

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

Low and Moderate Income Housing Assets Special Revenue Fund – This fund accounts for the activities related to the housing assets assumed by the City as Housing Successor to the former Redevelopment Agency. The activities are governed by California redevelopment law and all revenues from the collection of loan repayments must be used to provide housing for people with low and moderate incomes.

Public Works Construction Capital Project Fund – This fund accounts for major City capital improvement projects.

The City also reports the following fiduciary fund types:

Trust Funds. These funds account for assets held by the City as an agent for various functions. The Retiree Health Savings Plan Trust Fund accounts for the accumulation of resources to be used for retiree medical and dental benefit payments at appropriate amounts and times in the future. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future. The financial activities of the funds are excluded from the Government-wide financial statements, but are presented in the separate Fiduciary Fund financial statements.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Custodial Funds. These funds report resources, not in a Trust, that are held by the City for other parties outside of the City's reporting entity, which include West Contra Costa Transportation Advisory Committee, West Contra Costa Integrated Waste Management Authority, and community organizations.

D. Basis of Accounting

The **City-wide and fiduciary fund financial statements** are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurement focus and governmental and agency funds are reported using *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within forty-five days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt and compensated absences, which are recognized as expenditures when they are paid. General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds from general long-term debt and leases are reported as *other financing sources*.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services.

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

Certain indirect costs are included in program expenses reported for individual functions and activities.

Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations.

Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

E. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet sometimes reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City only has one item that qualifies for reporting in this category related to pensions and OPEB as discussed in Note 9 and 10.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the statement of net position and governmental funds balance sheet report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualifies for reporting in this category, unavailable revenue, which arises only under a modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to amounts due from other governments, and loans and notes receivable. The City also has deferred inflows of resources related to pensions and OPEB on the statement of net position as discussed in Note 9 and 10. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

F. *Property Tax*

Property tax revenue is recognized in the fiscal year for which the tax and assessment is 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. Secured and unsecured property taxes are levied on January 1.

Secured property tax is due in two installments, on November 1 and February 1, becomes a lien on those dates and becomes delinquent on December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31.

The term "unsecured" refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed. Property tax revenues are recognized by the City in the fiscal year they are assessed.

G. *Compensated Absences*

Compensated absences comprise unpaid vacation and certain compensated time off, which are accrued as earned. For all governmental funds, amounts expected to be paid out for permanent liquidation are recorded as fund liabilities, the long-term portion is recorded in the statement of net position. The liability for compensated absences is determined annually; the net increase in the liability was \$257,871 at June 30, 2025 and was allocated to the General Government, Community Development, Public Works, Engineering, Police and Community Services departments on the statement of activities. The change in compensated absences was as follows:

Beginning Balance	\$2,650,073
Net Change	<u>257,871</u>
Ending Balance	<u><u>\$2,907,944</u></u>
Due in One Year	<u><u>\$2,451,986</u></u>

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Prepaids and Deposits

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

Prepaid items and deposits in governmental funds are equally offset by nonspendable fund balance which indicates that they do not constitute available spendable resources even though they are a component of net current assets.

I. Property Held for Resale

Land parcels held for resale are accounted for at the lower of cost or net realizable value or agreed upon sales price if a disposition agreement has been made with a developer.

J. Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. Fair Value Measurements

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

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

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

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

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

L. Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Lessee – The City is a lessee for noncancellable leases of a building. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial individual value of \$25,000 or more.

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. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the lesser of its useful life or the life of the lease agreement.

Key estimates and judgments related to leases 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 as follows:

- 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, if applicable.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term lease liabilities on the statement of net position.

M. New Fund

During fiscal year 2025, the City created the San Francisco Bay Water Quality Improvement Special Revenue Fund to account for revenues from the Environmental Protection Agency's San Francisco Bay Water Quality Improvement Fund grant program for the Bay's polychlorinated biphenyls special studies and implementation project.

N. New Governmental Accounting Standards Board Statements

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for reporting periods beginning after December 15, 2024, or the fiscal year 2024-25. The City implemented the provisions of this Statement during fiscal year 2025. The implementation of this Statement did not have a material impact on the financial statements.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement establishes financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints. This Statement is effective for reporting periods beginning after December 15, 2024, or the fiscal year 2024-25. The City implemented the provisions of this Statement during fiscal year 2025. The implementation of this Statement did not have a material impact on the financial statements.

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING

A. Budget Policy

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

1. The City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizens' comments.
3. The budget is legally enacted by City Council resolution.
4. All budget adjustments and transfers between funds and between departments must be approved by the City Council by resolution during the fiscal year. The City Manager and Budget Officer are authorized to transfer any unencumbered appropriations within a department. The legally adopted budget requires that expenditures not exceed total appropriations at the department level within each fund.
5. Formal budgetary integration is employed as a management control device during the year for all budgeted funds.
6. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds except the Low and Moderate Income Housing Assets, Traffic Congestion Relief, HCD Grant and Measure K Special Revenue Funds. In addition, the San Francisco Bay Water Quality Improvement Special Revenue Fund, Public Works Construction, 2015 Lease Revenue Bonds Capital Projects Funds, 2022 JPFA Lease Revenue Bonds Debt Service Fund and the 2018 JPFA Lease Revenue Bonds Debt Service Fund are budgeted on a project length basis and therefore are not comparable on an annual basis.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 2 – BUDGETS AND BUDGETARY ACCOUNTING (Continued)

B. Excess of Expenditures over Appropriations

As of June 30, 2025, the following funds had department expenditures that were in excess of appropriations:

Fund	Department	Amount
General Fund	General Government	\$74,529
Gas Tax Special Revenue Fund	Public Works & Engineering	269,424
Measure C/J Special Revenue Fund	Community Development	8,000
Street Lighting and Landscaping Special Revenue Fund	General Government	1,593
	Total	<u>\$353,546</u>

The funds had sufficient revenues or fund balances to finance these expenditures. The City plans to cure the excess expenditures in these funds with future revenues.

NOTE 3 – CASH AND INVESTMENTS

The City pools cash from all sources and all funds except Cash and Investments held by Trustees so that it can be invested at the maximum yield consistent with safety and liquidity, while individual funds can make expenditures at any time.

A. Policies

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of debt instruments or agency agreements.

Primary Government Cash and Investments

Cash and investments available for operations	\$92,875,670
Restricted cash and investments	1,177,228

Component Unit Cash and Investments

Cash available for operations	3,544,974
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Fiduciary Funds Cash and Investments

Restricted cash and investments	
in Fiduciary Funds (separate statement):	
Retiree Health Savings Plan Trust	17,109,452
Successor Agency to the Redevelopment	
Agency Private Purpose Trust	1,488,982
Custodial Funds	18,256,714

Total cash and investments	<u><u>\$134,453,020</u></u>
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CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

The City's Investment Policy and the California Government Code allow the City to invest in the following, provided the credit ratings of the issuers are acceptable to the City and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the City's Investment Policy where the City's Investment Policy is more restrictive.

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Bills, Notes or Bonds	5 years	N/A	No Limit	No Limit
Federal Instrumentality (government sponsored enterprise)	5 years	N/A	No Limit	No Limit
Federal Agency Mortgage-Backed Securities and Debentures	5 years	N/A	20%	No Limit
Supranational Securities	5 years	AA or equivalent	30%	5%
Medium Term Notes	5 years	A or equivalent	30%	5%
Negotiable Certificates of Deposit	5 years	FDIC Insured	30%	5%
Non-Negotiable Certificates of Deposit	5 years	FDIC Insured	30%	5%
Commercial Paper	270 Days	A-1/A or equivalent	25%	5%
Banker's Acceptances	180 days	A-1/P-1 or equivalent	30%	5%
Repurchase Agreements	30 days	N/A	No Limit	No Limit
California Local Agency Investment Fund	N/A	N/A	No Limit	\$75 million
Money Market Funds	N/A	AAAm	20%	10%

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

D. Public Agencies Post-Employment Trust

On December 13, 2023, the City Council adopted Resolution 23-473 approving the adoption of the Public Agencies Post-Employment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 Trust. This Trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code of the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk of tolerance, under the Target Index Conservative Strategy investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

E. Investments Authorized by Debt Agreements

The Successor Agency to the Redevelopment Agency must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Successor Agency fails to meet its obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with City ordinance, bond indentures or State statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. There is no limitation on the maximum percentage of the portfolio that may be invested in any one investment type or in any one issuer. The table also identifies certain provisions of these debt agreements:

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality
U.S. Treasury Obligations	5 years	N/A
U.S. Agency Securities (A)	5 years	N/A
State Obligations	5 years	A
Commercial Paper	270 days	A-1
Certificates of Deposit	365 days	A-1
Bankers Acceptances	365 days	A-1
Bank Deposits	5 years	N/A
Money Market Mutual Funds	N/A	AAAm
Repurchase Agreements	180 days (B)	A
Investment Agreements and Guaranteed Investment Contracts	N/A	N/A
Cash Sweep	5 years	N/A
California Asset Management Program	N/A	N/A
California Local Agency Investment Fund	N/A	N/A

(A) For the 2015 Lease Revenue Bonds, investments are restricted to the Federal Home Loan Bank System, Government National Mortgage Association, Farmer's Home Administration, Federal Home Loan Mortgage Corporation or Federal Housing Administration; provided that with respect to the funds and accounts established under the Indenture, such obligations shall at no time exceed an amount equal to ten percent (10%) of the aggregate principal amount of the Bonds Outstanding.

(B) For the 2015 Lease Revenue Bonds, limited to 30 days.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

F. Investments Authorized for Economic Development Corporation

Economic Development Corporation investments conform with the California Government Code.

G. Investments Authorized for the Retiree Health Savings Plan Trust

The authorized investments for the Retiree Health Savings Plan Trust were established pursuant to the Declaration of Trust. The City, as trustee, has elected to invest the Trust assets in a mutual fund, however the Trust is authorized to invest in time deposits, shares of common and preferred stock, mortgages, bonds, leases, notes, debentures, equipment or collateral trust certificates, rights, warrants, convertible or exchangeable securities and other corporate, individual or government securities or obligations, annuity, retirement or other insurance contracts, mutual funds, or in units of any other common, collective or commingled trust fund.

H. Interest Rate Risk

Interest rate risk is the risk that potential future changes in market interest rates will adversely affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

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

Investment Type	12 months or less	13 to 24 months	25 to 36 months	36 months +	Fair Value Total
U.S. Government Agencies	\$4,691,238	\$2,568,055	\$3,586,406	\$1,127,424	\$11,973,123
U.S. Treasury Notes	2,182,983	3,395,329	1,763,585	2,042,177	9,384,074
Medium Term Notes	883,858	2,035,217	3,462,707	3,393,638	9,775,420
Local Agency Investment Fund	56,711,170				56,711,170
Held by Trustee:					
PARS Target Index PLUS Fund	1,153,264				1,153,264
Money Market Funds	1,514,214				1,514,214
Vantage Point MP Long Term Growth Mutual Fund (Equities)	17,109,452				17,109,452
Total Investments	<u>\$84,246,179</u>	<u>\$7,998,601</u>	<u>\$8,812,698</u>	<u>\$6,563,239</u>	107,620,717
Cash on hand and in banks - City of San Pablo					23,287,329
Cash in banks - Economic Development Corporation					3,544,974
Total Cash and Investments					<u>\$134,453,020</u>

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the authority of the Treasurer of the State of California and is not registered with the Securities and Exchange Commission as an investment company. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance is available for withdrawal on demand, and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2025, the average maturity was 248 days.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

I. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The actual ratings for the City's investments as of June 30, 2025 are as follows:

Investment Type	AAA _m	AA+/AA-/AA	A+/A/A-	Fair Value Total
U.S. Government Agencies		\$11,973,123		\$11,973,123
Medium Term Notes	\$616,504	2,954,921	\$6,203,995	9,775,420
Held by Trustees:				
Money Market Funds	1,514,214			1,514,214
Totals	<u>\$2,130,718</u>	<u>\$14,928,044</u>	<u>\$6,203,995</u>	23,262,757
Not rated:				
PARS Target Index PLUS Fund				1,153,264
Local Agency Investment Fund				56,711,170
Retiree Health Savings Plan Trust:				
Vantage Point MP Long Term Growth Mutual Fund (Equities)				17,109,452
Exempt from credit rating disclosure:				
Cash and Cash Equivalents				876,749
U.S. Treasury Notes				9,384,074
Cash on Hand and in Banks - City of San Pablo				22,410,580
Cash on Hand and in Banks - Economic Development Corporation				<u>3,544,974</u>
Total Cash and Investments				<u>\$134,453,020</u>

J. Fair Value Hierarchy

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

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

Investment Type	Level 2	Fair Value Total
Investments by Fair Value:		
U.S. Treasury Notes	\$9,384,074	\$9,384,074
U.S. Government Agencies	11,973,123	11,973,123
Medium Term Notes	9,775,420	9,775,420
Total Investments at Fair Value	<u>\$31,132,617</u>	31,132,617
Investments Measured at Amortized Cost:		
<i>Held by Trustee:</i>		
Money Market Funds		1,514,214
Vantage Point MP Long Term Growth Mutual Fund (Equities)		<u>17,109,452</u>
Investments Exempt from Fair Value Hierarchy:		
PARS Target Index PLUS Fund		1,153,264
Local Agency Investment Fund		<u>56,711,170</u>
Total Investments		107,620,717
<i>Cash with Banks and Petty Cash - City of San Pablo</i>		23,287,329
<i>Cash with Banks - Economic Development Corporation</i>		<u>3,544,974</u>
Total Cash and Investments		<u>\$134,453,020</u>

U.S. Treasury Notes, U.S. Government Agencies and Medium Term Notes, classified in Level 2 of the fair value hierarchy, are valued using matrix pricing techniques maintained by various pricing vendors. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The PARS Section 115 Trust and the California Local Agency Investment Fund, reported at amortized cost, and it is not subject to the fair value reporting requirements. Fair value is defined as the quoted fair market value on the last trading day of the period. These prices are obtained from various pricing sources by our custodian bank.

K. Concentration of Credit Risk

The City held investments in an issuer, other than U.S. Treasury securities, money market mutual funds, and the California Local Agency Investment Fund that represent 5% or more of total City-wide investments. As of June 30, 2025, the issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) is as follows:

Fund/Issuer	Investment Type	Reported Amount
Federal Home Loan Bank	U.S. Governmental Agencies	\$6,977,396

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers Between Funds

With Council approval, resources may be transferred from one City fund to another. Transfers In/Out for the year ended June 30, 2025 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Transfer Amount
Major Funds:		
General Fund	Public Safety Special Revenue Fund	\$160,711 (A)
	Street Lighting and Landscaping Special Revenue Fund	63,085 (A)
Public Works Construction Capital Projects Fund	General Fund	12,321,806 (B)
	Gas Tax Fund	165,283 (C)
	2022 JPFA Lease Revenue Bonds Capital Projects Fund	28,037,899 (B)
	Environmental Services Special Revenue Fund	51,042 (B)
Non-Major Funds:		
Gas Tax Special Revenue Fund	General Fund	745,420 (D)
Environmental Services Special Revenue Fund	General Fund	37,551 (D)
Development Services Special Revenue Fund	General Fund	138,129 (D)
Measure C / J Special Revenue Fund	Public Works Construction Capital Projects Fund	256,683 (E)
Street Lighting and Landscaping Special Revenue Fund	General Fund	943,771 (D)
Measure K Sales Tax Special Revenue Fund	General Fund	836,268 (D)
2018 JPFA Lease Revenue Bonds Debt Service Fund	General Fund	807,000 (F)
2022 JPFA Lease Revenue Bonds Debt Service Fund	General Fund	1,776,900 (F)
2015 JPFA Lease Revenue Bonds Capital Projects Fund	General Fund	137,169 (F)
		\$46,478,717

The reasons for these transfers are set forth below:

- (A) To transfer revenue.
- (B) To transfer amounts required to fund capital projects.
- (C) To revert unused SB1 RMRA Funds.
- (D) To transfer to cover revenue shortage (negative cash).
- (E) To revert unused Measure J LSM Funds.
- (F) To transfer to cover debt service and fees requirement.

NOTE 5 – LOANS AND NOTES RECEIVABLE

The City and former Redevelopment Agency engage in programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's or Agency's terms. Although these loans and notes are expected to be repaid in full, their balance has been offset by unavailable revenue in governmental funds, as they are not expected to be repaid during the next fiscal year.

A. Employee Loans Receivable

Elected officials and full-time City employees are eligible to obtain an interest free loan up to \$3,000 to purchase a computer. All requests for loans are subject to review and approval by the Finance Director. Repayment of these loans is handled through payroll deductions, which are spread out equally for up to two years. Employees must pay off any outstanding balance of their loans upon ending employment with the City. As of June 30, 2025, one employee had \$959 in such loans. In addition, during fiscal year 2025, the City loaned an employee \$22,849 for a CalPERS repayment of pension funds. The employee is to pay \$952 each pay period to the City over two years until November 2025 at which point the loan is expected to be fully repaid. At June 30, 2025, the balance of the loan was \$7,616.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 5 – LOANS AND NOTES RECEIVABLE (Continued)

B. *Ruby Hills Properties Loans Receivable*

During fiscal year 2020-2021 the City loaned \$300,000 to Ruby Hills Properties for the purchase of property. The loan bears no interest. The loan shall have a term of twenty years and shall be entirely forgiven at maturity, as long as the property continues to operate medical offices and an urgent care facility serving the City of San Pablo community. The outstanding balance as of June 30, 2025 was \$300,000.

C. *Notes Receivable under Redevelopment Agency Programs*

The Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to expend these funds in accordance with the Agency's terms. With the dissolution of the Redevelopment Agency as discussed in Note 13, the City agreed to become the successor to the Redevelopment Agency's housing activities and as a result the Low and Moderate Income Housing Asset Fund assumed the loans receivable of the Redevelopment Agency's Low and Moderate Income Housing Fund as of February 1, 2012. The balances of the notes receivable in the Low and Moderate Income Housing Assets Fund at June 30, 2025 are as follows:

Casa Adobe-Senior Citizen Units	\$974,990
Housing Initiative Program	7,416,204
San Pablo Housing Investors	1,408,430
East Bay Asian Local Development Corporation	1,549,164
Lao Family Community Development	1,052,782
Danco Communities	1,500,000
San Pablo Loan Assistance for Sustainable Housing (SPLASH) Program	<u>521,800</u>
Subtotal	14,423,370
Less: Allowance for conditional grant	<u>(1,052,782)</u>
Total	<u><u>\$13,370,588</u></u>

D. *Casa Adobe - Senior Citizen Units*

Under the terms of a Disposition and Development Agreement dated June 5, 1989 between the former Redevelopment Agency and the Developer, Ecumenical Association for Housing (EAH)-San Pablo, the Agency loaned EAH-San Pablo the amount of \$824,670 to purchase land and construct the Casa Adobe 55-unit housing complex for low income senior citizens.

During fiscal year 2009, the Agency restructured the original agency loan and provided a new loan in the principal amount of \$1,232,951 to assist the Developer with financing the acquisition and rehabilitation of the Development. The Agency loan consists of the principal and accrued interest on the original Agency loan as of November 1, 2008. The restructured loan has a fifty-five year term with a zero percent interest rate. Commencing on May 1, 2010 and on each May 1st thereafter, payments are to be made from "residual receipts" as defined in the agreement. The balance of the loan at June 30, 2025 was \$974,990.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 5 – LOANS AND NOTES RECEIVABLE (Continued)

E. *Housing Initiative Program*

The former Redevelopment Agency administered a Housing Initiative Program under which individuals may qualify for first-time home buyer, purchase rehabilitation, second and third trust deed home improvement, dilapidated unit purchase, or foreclosed unit purchase loans. At June 30, 2025, loans outstanding under this Program totaled \$7,416,204.

In October 2007, the Agency revised its first-time home-buyers loan program, which included increasing the maximum amount of assistance from \$75,000 to \$200,000 and requiring the homebuyer to enter a shared appreciation agreement as part of the promissory note. Under the shared appreciation, the homebuyer is required to pay the Agency a share of the net appreciated value of the home in connection with a transfer of the home before the end of the program loan term (30 years). The percentage of the shared net appreciation is equal to the Agency's share of the original purchase price of the home, less a 5% discount. The balance of these loans is included in the Housing Initiative Program Loans.

The Agency also administered a State-sponsored CalHome Loan Program under which individuals may qualify for first-time home buyer, purchase rehabilitation, second trust deed home improvement, or foreclosed unit purchase loans.

F. *San Pablo Housing Investors*

Under the terms of an Owner Participation Agreement dated January 6, 2003, the former Redevelopment Agency made two loans to San Pablo Housing Investors in fiscal 2004 for the construction of eighty-two low-income rental units for seniors. The first loan of \$99,690 was used for City development fees, and the second loan of \$1,100,000 for construction. The loans carry simple interest rates per annum of 6% and 5.7%, respectively, with loan payments due within twenty years of the Completion Date. The project was completed on June 30, 2003. Payments began on January 31st following the Completion Date, and then each January 31st thereafter; payments are to be made from fifty percent of "residual receipts" as defined in the agreement. As of June 30, 2025, San Pablo Housing Investors owed principal and interest totaling of \$1,408,430.

G. *East Bay Asian Local Development Corporation*

Under the terms of an Owner Participation Agreement dated September 28, 2004, the former Redevelopment Agency made a construction loan of \$500,000 to East Bay Asian Local Development Corporation (EBALDC) for the development of 84 affordable rental dwelling units and two onsite non-rent restricted management units, with associated parking and common area spaces. The loan does not bear interest and must be repaid in full no later than 55 years from the date of the agreement. Commencing on May 1, 2008 and on each May 1st thereafter, payments are to be made in an amount equal to seventy-five percent of "residual receipts" as defined in the agreement.

On August 16, 2005, an amendment to the Owner Participation Agreement provided EBALDC with a supplemental project loan of up to \$1,200,000. Proceeds will facilitate the original construction project. Repayment terms of this additional loan are the same as the terms of the original loan. As of June 30, 2025, EBALDC has drawn down \$1,199,513 of the supplemental project loan.

The balance of the loans as of June 30, 2025 was \$1,549,164.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 5 – LOANS AND NOTES RECEIVABLE (Continued)

H. Lao Family Community Development

Under the terms of an Affordable Housing Subsidy Agreement dated December 20, 1993, the former Redevelopment Agency made a loan of \$82,500 to Lao Family Community Development, Inc. (Lao) for the development of a 32-unit apartment building with three of the units being affordable to moderate income persons. The loan bears interest at the rate of 6.06%, compounded annually. The agreement was amended on January 22, 1996 to provide an additional subsidy of \$75,000 which bears interest at the rate of 6.83%, compounded annually and increased the affordable units to 15. Both loans are repayable from “residual receipts” as defined in the agreement, and loans are due immediately upon the sale, assignment or transfer of the property without the consent of the Agency, or the expiration of the 30-year affordability covenant. However, unless the Agency directs otherwise, repayment of the loans is to be made to Contra Costa County under the terms of an Intercreditor Agreement; therefore, the City has accounted for this loan as a conditional grant and provided a reserve against the outstanding balance of the loans. As of June 30, 2025, the balance of the loans, including accrued interest, was \$1,052,782.

I. Danco Communities

Under the terms of an Amended and Restated Disposition and Development Agreement dated March 23, 2023, the former Redevelopment Agency made a purchase loan of \$1,500,000 to San Pablo Church Lane LP for the acquisition and development of property located within the City to provide an affordable housing project containing fifty (50) units of affordable rental housing, together with parking and associated amenities. The loan bears interest at the rate of 3% and is due and payable in full no later than fifty-five years from the date of the agreement. Commencing no later than June 1, 2023, and continuing on the same day each year thereafter, the loan requires payments to be made in an amount equal to 80% of residual receipts. The outstanding balance as of June 30, 2025 was \$1,500,000.

J. San Pablo Loan Assistance for Sustainable Housing (SPLASH) Program

During fiscal year 2022-2023, the City loaned \$91,000 as part of the City’s SPLASH program for a down payment assistance loan to an income-qualified, first-time homebuyer to purchase a home within the City. During fiscal year 2023-2024, the City loaned additional funds under the program in the amount of \$149,000 and during fiscal year 2024-2025, the City loaned additional funds under the program in the amount of \$281,800. Under the terms of the program, loans made will be deferred and no payments will be required until the end of the term (30 years) unless the property is sold or otherwise transferred. The loan bears interest at the greater of shared appreciation or 3%. The outstanding balance as of June 30, 2025 was \$521,800.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6 – CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The City's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

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

	Useful Lives Years	Capitalization Threshold
Buildings and Improvements	10-50	\$25,000
Machinery and Equipment	5-10	5,000
Vehicles	5-10	5,000
Parks and Trails	15-20	25,000
Sports Fields	15-20	25,000
Roads and Streets	20	25,000
Bridges	15-75	25,000
Trees	50	25,000
Streetlights	20	25,000
Storm Drains	20	25,000
Traffic Signals	20	25,000
Intangible right-to-use lease asset	10-50	25,000

The Economic Development Corporation has assigned the following useful lives to its capital assets: Buildings, 39 years; Furniture and Equipment, 3-7 years; and Vehicles, 5 years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6 – CAPITAL ASSETS (Continued)

A. Governmental Capital Asset Additions and Retirements

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

	Balance at June 30, 2024	Additions	Transfers	Balance at June 30, 2025
<i>Governmental activities</i>				
Capital assets not being depreciated:				
Land and land improvements	\$8,836,828			\$8,836,828
Construction in progress	38,365,959	\$32,747,478	(\$24,091,149)	47,022,288
Total capital assets not being depreciated	47,202,787	32,747,478	(24,091,149)	55,859,116
Capital assets being depreciated:				
Buildings and improvements	59,349,784		481,431	59,831,215
Machinery and equipment	4,235,580	454,049		4,689,629
Vehicles	4,847,261	828,269		5,675,530
Park and trail improvements	20,842,355		778,042	21,620,397
Sports fields	1,506,986			1,506,986
Roads & streets including sidewalks	95,289,979		22,699,512	117,989,491
Bridges	5,228,299			5,228,299
Street lights	361,078			361,078
Storm drains	2,228,380		132,164	2,360,544
Traffic signals	3,121,957			3,121,957
Trees	1,227,462			1,227,462
Intangible right-to-use leased building	13,741,104			13,741,104
Total capital assets being depreciated	211,980,225	1,282,318	24,091,149	237,353,692
Less accumulated depreciation and amortization for:				
Buildings and improvements	(8,400,547)	(1,298,900)		(9,699,447)
Machinery and equipment	(2,651,831)	(129,835)		(2,781,666)
Vehicles	(3,642,744)	(397,235)		(4,039,979)
Park and trail improvements	(11,125,300)	(1,268,285)		(12,393,585)
Sports fields	(1,526,053)			(1,526,053)
Roads & streets including sidewalks	(57,848,969)	(1,767,232)		(59,616,201)
Bridges	(4,930,458)	(51,011)		(4,981,469)
Street lights	(352,262)	(3,092)		(355,354)
Storm drains	(1,789,473)	(10,200)		(1,799,673)
Traffic signals	(2,480,449)	(62,886)		(2,543,335)
Trees	(802,583)	(24,725)		(827,308)
Intangible right-to-use leased building	(989,359)	(329,786)		(1,319,145)
Total accumulated depreciation and amortization	(96,540,028)	(5,343,187)		(101,883,215)
Net capital assets being depreciated	115,440,197	(4,060,869)	24,091,149	135,470,477
Governmental activity capital assets, net	\$162,642,984	\$28,686,609		\$191,329,593

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6 – CAPITAL ASSETS (Continued)

Construction in progress comprised the following at June 30, 2025:

Project	Amount
Police Department Headquarters	\$35,979,496
Giant Road	149,395
Citywide Slurry Seal Program	888,861
Other	10,004,536
Total construction in progress	<u>\$47,022,288</u>

B. Economic Development Corporation's Capital Assets

The following is a summary of the Economic Development Corporation's changes in capital assets for the fiscal year ended June 30, 2025:

	Balance at June 30, 2024	Additions	Balance at June 30, 2025
Capital assets being depreciated:			
Building - EDC	\$1,540,000		\$1,540,000
Total capital assets being depreciated	1,540,000		1,540,000
Less accumulated depreciation	(276,711)	(\$44,872)	(321,583)
Net capital assets being depreciated	1,263,289	(44,872)	1,218,417
Capital assets, net	<u>\$1,263,289</u>	<u>(\$44,872)</u>	<u>\$1,218,417</u>

C. Capital Asset Contributions

Some capital assets may be acquired using federal and State grant funds, or they may be contributed by developers or other governments. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 6 – CAPITAL ASSETS (Continued)

D. Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities:

General Government	(\$521,391)
Community Services	(294,301)
Community Development	(438,649)
Public Works	(3,707,336)
Police	(381,510)
	<u>(381,510)</u>
Total depreciation expense	<u><u>(\$5,343,187)</u></u>

Discretely Presented Component Unit:

Economic Development Corporation	<u><u>(\$44,872)</u></u>
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NOTE 7 – LONG-TERM DEBT

The City generally incurs long-term debt to finance projects or purchase assets which will have useful lives equal to or greater than the related debt. The City's long-term debt is recorded only in the government-wide financial statements.

In governmental fund types, debt discounts and issuance costs are recognized in the current period.

A. Current Year Transactions and Balances

The City's debt issues and transactions are shown below and discussed in detail thereafter.

	Original Issue Amount	Balance June 30, 2024	Retirements	Balance June 30, 2025	Current Portion
<i>Lease Revenue Bonds:</i>					
Lease Revenue Bonds Series 2015A 2.00-4.00%, due 11/1/2044	\$4,255,000	\$3,595,000		\$3,595,000	
Lease Revenue Bonds Series 2018 2.50-5.00%, due 11/1/2052	15,325,000	14,330,000	\$270,000	14,060,000	\$280,000
Lease Revenue Bonds Series 2022 3.00-4.00%, due 11/1/2052	30,470,000	29,745,000	630,000	29,115,000	655,000
Premium	3,573,108	3,285,273	119,104	3,166,169	
		<u>50,955,273</u>	<u>1,019,104</u>	<u>49,936,169</u>	<u>935,000</u>
Total Lease Revenue Bonds		<u>50,955,273</u>	<u>1,019,104</u>	<u>49,936,169</u>	<u>935,000</u>
Total City Debt		<u><u>\$50,955,273</u></u>	<u><u>\$1,019,104</u></u>	<u><u>\$49,936,169</u></u>	<u><u>\$935,000</u></u>

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

B. San Pablo Joint Powers Financing Authority Lease Revenue Bonds, Series 2015A, Series 2018, and Series 2022

On February 18, 2015, the City of San Pablo Joint Powers Financing Authority (Authority) issued \$4,255,000 and \$11,555,000 in 2015 Lease Revenue Bonds, Series A and B, respectively. The Authority proceeds of these bonds were used to finance certain capital improvement projects and property acquisitions for the City, including a library facility and upgrades to City Hall. The Authority has pledged facility lease between the City and the Authority. The Authority would lease the City the City Hall Complex and the City Police Department Building.

Under a site and facility lease dated March 1, 2015, the Authority leased the City Hall complex and police department building from the City and pursuant to a lease agreement dated March 1, 2015, the Authority leased the property to the City. Lease payments from the City to the Authority are pledged for the repayment of the Bonds. Although the lease payments are payable from all legally available funds of the General Fund, the City agreed that each September, upon the receipt of revenue under the City's Municipal Services Agreement with the Lytton Band of Pomo Indians, to transfer the full amount of the lease payments for that fiscal year to the Bond Trustee. Annual principal payments on the 2015 A and B Lease Revenue Bonds are due November 1, commencing on November 1, 2015 and 2016, respectively. Semi-annual interest payments are due May 1 and November 1, through 2044 and 2040, respectively, commencing on November 1, 2015. On February 1, 2022, the outstanding balance of the 2015B Lease Revenue Bonds were refunded and defeased with the issuance of the 2022 Lease Revenue Bonds.

On January 31, 2018, the Authority issued an additional \$15,325,000 in 2018 Lease Revenue Bonds. The proceeds of these bonds were used to finance the construction of a new City Hall. Under the site and facility lease dated March 1, 2015, amended as of February 1, 2018, the Authority leased the City Hall project site, medical office building, senior center, corporation yard and Davis Park to the City as construction period leased properties to support the Series 2018 bond payments. Upon substantial completion of the City Hall Project, the City released the construction period leased properties mentioned above and instead the City Hall Project, together with the Police building, will serve as the leased property in support of both the 2015 and 2018 bonds. Annual principal payments on the 2018 Lease Revenue Bonds are due November 1, commencing on November 1, 2020. Semi-annual interest payments are due May 1 and November 1 through 2052, commencing on May 1, 2018.

The bonds are special limited obligations of the Authority secured by and payable solely from Series 2018 Revenues pledged to the 2018 Bonds under the Indenture. The City has covenanted in the Lease to take such actions as may be necessary to include and maintain all Series 2018 Base Rental Payments in its budget and to make the necessary appropriations thereof, subject to such abatement. Should the City default under the facilities sublease, the Authority at its option may terminate the Lease and re-lease all or any portion of the Leased Property, provided that the Authority shall have no right to re-let the Corporation Yard or Davis Park portions of the Leased Property. Notwithstanding anything in the Indenture to the contrary, there shall be no right under the circumstances to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

On February 1, 2022, the Authority issued an additional \$30,470,000 in 2022 Lease Revenue Bonds. The proceeds of these bonds will be used to finance the construction of Police Headquarters and Public Safety Training Center Project and to refund and defease all of the Authority's outstanding Lease Revenue Bonds, Series 2015B. Annual principal payments on the 2022 Lease Revenue Bonds are due November 1, commencing on November 1, 2022. Semi-annual interest payments are due May 1 and November 1 through 2052, commencing on May 1, 2022. The refunding resulted in a net present value savings to the City in debt services of \$621,083.

The bonds are special limited obligations of the Authority secured by and payable solely from Series 2022 Revenues pledged to the 2022 Bonds under the Indenture. The City has covenanted in the Lease to take such actions as may be necessary to include and maintain all Series 2022 Base Rental Payments in its budget and to make the necessary appropriations thereof, subject to such abatement. Should the City default under the facilities sublease, the Authority at its option may terminate the Lease and re-lease all or any portion of the Leased Property, with the exception of the WIC Building. Notwithstanding anything in the Indenture to the contrary, there shall be no right under the circumstances to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable.

Debt service requirements are shown below for the bonds:

For the Year Ending June 30	Principal	Interest	Total
2026	\$935,000	\$1,764,769	\$2,699,769
2027	975,000	1,727,107	2,702,107
2028	1,015,000	1,687,307	2,702,307
2029	1,055,000	1,645,907	2,700,907
2030	1,100,000	1,601,157	2,701,157
2031-2035	6,265,000	7,239,810	13,504,810
2036-2040	7,625,000	5,874,103	13,499,103
2041-2045	9,205,000	4,299,924	13,504,924
2046-2050	10,945,000	2,552,184	13,497,184
2051-2053	7,650,000	453,991	8,103,991
Total	<u>\$46,770,000</u>	<u>\$28,846,259</u>	<u>\$75,616,259</u>

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 7 – LONG-TERM DEBT (Continued)

C. EDC Notes and Loans Payable

As discussed in Note 13, the EDC purchased a building at Mission Plaza in July 2018 from the Successor Agency, who provided financing to the EDC in the amount of \$1,350,000. During fiscal year ended June 30, 2020, the EDC paid \$50,000 towards principal. The Note is secured by the property, bears interest at an annual rate of 4%, and is due and payable in full no later than twelve (12) years from the date of the note. The EDC will make annual interest-only payments of \$52,000 over the 12 years, at which time, the balance of the principal will be due.

Future repayment requirements for the note are shown below:

For the Year Ending June 30	Principal	Interest	Total
2026		\$52,000	\$52,000
2027		52,000	52,000
2028		52,000	52,000
2029		52,000	52,000
2030		52,000	52,000
2031	\$1,300,000	52,000	1,352,000
Total	\$1,300,000	\$312,000	\$1,612,000

D. Debt without City Commitment

On April 15, 2024, the City assisted in the issuance of \$50,000,000 in Revenue Bonds for the benefit of Giant Development II, LLC, by the California Municipal Finance Authority (CMFA), a joint exercise of power authority and public entity of the State of California, with the purpose of providing funds to finance and refinance (1) the costs of the acquisition and rehabilitation of an 86-unit qualified residential rental project located at 2838 Giant Road within the City and (2) pay certain expenses in connection with the issuance of the Bonds. On June 7, 2024, CMFA authorized the issuance of up to \$35,000,000 in tax-exempt and/or taxable revenue bonds for the benefit of Giant Development II, LLC. On August 1, 2024, the California Municipal Financing Authority entered into a project loan agreement with Giant Development II, LP for the 2024 Series A-1 and 2024 Series A-2 for a total maximum loan principal amount of \$35,948,825. Monthly payments of principal and interest and premium, are payable in accordance with the terms of the project loan agreement. The outstanding balance of the loan shall be due and payable in its entirety on November 1, 2027. The City has no legal or moral liability with respect to the payment of this debt.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – NET POSITION AND FUND BALANCES

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

Net Position is measured on the full accrual basis while Fund Balance is measured on the modified accrual basis, as explained in Note 1D.

A. Net Position

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

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

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

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

B. Fund Balances

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

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

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

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

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by formal action by Resolution of the City Council. Encumbrances and nonspendable amounts subject to Council commitments are included along with spendable resources.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Assigned fund balances are amounts constrained by the City’s intent to be used for a specific purpose, but are neither restricted nor committed. Intent is expressed by the City Council or its designee, the Finance Manager, during the adoption of the annual budget and may be changed at the discretion of the City Council or the Finance Manager.

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

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

Fund Balance Classifications	General Fund	Special Revenue Low and Moderate Income Housing Assets	Capital Project Public Works Construction	Other Governmental Funds	Total
Nonspendable:					
Items not in spendable form:					
Employee loans receivable	\$9,673				\$9,673
Total Nonspendable Fund Balances	<u>9,673</u>				<u>9,673</u>
Restricted for:					
Redevelopment Low and Income Housing	148,264	\$11,596,299			11,744,563
Street Lighting and Landscaping				\$153,903	153,903
Local Street and Road and Maintenance				7,813,569	7,813,569
Law Enforcement				694,815	694,815
Paratransit				830,493	830,493
Housing Grants				149,336	149,336
Capital projects			\$10,137,239	409,059	10,546,298
Debt service				19,607	19,607
EPA Grant				11,335	11,335
Pension	1,153,264				1,153,264
Total Restricted Fund	<u>1,301,528</u>	<u>11,596,299</u>	<u>10,137,239</u>	<u>10,082,117</u>	<u>33,117,183</u>
Committed:					
Capital projects	1,728,728				1,728,728
Total Committed Fund	<u>1,728,728</u>				<u>1,728,728</u>
Assigned					
General fund	57,300,965				57,300,965
Total Assigned Fund	<u>57,300,965</u>				<u>57,300,965</u>
Unassigned:					
General fund	3,006,374				3,006,374
Total Unassigned Fund	<u>3,006,374</u>				<u>3,006,374</u>
Total Fund Balances	<u>\$63,347,268</u>	<u>\$11,596,299</u>	<u>\$10,137,239</u>	<u>\$10,082,117</u>	<u>\$95,162,923</u>

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

C. *Stabilization and Contingency Arrangements*

The City adopted a Fiscal Resiliency Policy with Resolution 2013-159, which established four types of reserves to address unanticipated, one-time needs as follows. On March 3, 2025, the City amended the policy with Resolution 2025-032, which established five new reserve funds. The reserves are further described below as follows:

Catastrophic Reserve: To assist with expenses due to severe, natural, financial, or legal calamities including earthquakes, floods, disruptions in casino income, major legal judgments against the City and would be funded with fifty percent of the annual Total Operating Funds Budget, including transfers to CIP. The Catastrophic Reserve can only be used upon adoption of a Statement of Findings and/or a Declaration of Emergency subject to City Council approval and must be repaid within three fiscal years.

Budget Stabilization Reserve: To replace the prior Budget Stabilization Fund to serve as a budget balancing tool to counteract the impacts of economic downturns and declining revenues in the economic cycle, and the funds would be used for unforeseen, unplanned, one-time expenses that assist the City in developing fiscal resiliency, and the reserve will be funded with the equivalent of five percent of the annual Total Operating Funds budget, including transfers to CIP. The use of the Budget Stabilization Reserve requires approval of the Budget Services Ad-Hoc Subcommittee in addition to a Statement of Findings by the City Council and all uses must be repaid in the following fiscal year to prevent long-term structural deficits.

City Manager's Contingency Reserve: Equivalent to one percent of annual total operating funds budget, including transfers to CIP. Established as part of the City's fiscal resiliency strategy but separate from reserves, this account provides working capital for unforeseen, unplanned, one-time expenditures in program investment. Funding may be appropriated through the normal budget cycle or one-time appropriations from audited fund balance. Use of the funds shall follow the City's established spending authority limits as approved in the Purchasing Policy.

Building, Facilities, & Parks Maintenance Reserve: Equivalent to three percent of annual Total Operating Funds budget, including transfers to Building, Facilities, & Parks Maintenance. This reserve serves as a budget balancing tool to counteract the impacts of economic downturns and declining revenues in the economic cycle. Funds may be used for unforeseen, unplanned, one-time expenses that assist the City to develop fiscal resiliency. Use of the funds shall follow the City's established spending authority limits as approved in the Purchasing Policy.

Asset and Vehicle Replacement Reserve: Equivalent to two percent of annual Total Operating Funds budget, including transfers to Asset and Vehicle Replacement. This reserve serves as a budget balancing tool to counteract the impacts of economic downturns and declining revenues in the economic cycle. Funds may be used for *unforeseen, unplanned, one-time expenses* that assist the City to develop fiscal resiliency. Use of the funds shall follow the City's established spending authority limits as approved in the Purchasing Policy.

General Fund Designated Reserves: Identified within the Total Operating Funds and "designated" or earmarked by City Council for particular future uses as a way to prefund large expenditures, including but not limited to replacement of large capital equipment, information technology systems, facilities and infrastructure maintenance and replacement, accrued employee leave costs, PERS rate increases, workers' compensation costs, general liability costs, etc.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

Sales Tax Revenue Sustainability Reserve: At the completion of each annual audit, and following certification of the Annual Comprehensive Financial Report (ACFR) by the City's independent auditor for that particular fiscal year, a percentage of the net change in year-end audited unassigned fund balance—up to a maximum ten percent into the Sales Tax Revenue Sustainability Reserve. The purpose of the reserve is to mitigate against the potential impact that a sudden shutdown or unforeseen decline/loss of annual sales tax revenue (i.e., Measure K passed on 2012, Measure S passed in November 2020, or any future sales tax measure passed by local voters for funding general municipal services) would have on the City's ability to maintain current City operations and service levels.

General Liability Sustainability Reserve: At the completion of each annual audit, and following certification of the Annual Comprehensive Financial Report (ACFR) by the City's independent auditor for that particular fiscal year, a percentage of the net change in year-end audited unassigned fund balance—up to a maximum five percent may be deposited into the General & Pension (CalPERS) Liability Reserve. The purpose of the reserve is to mitigate against the potential impact that a sudden shutdown and/or unforeseen increases of the City's ability to cover annual premium costs for sustaining current City general liability coverage.

Pension (CalPERS) Liability Sustainability Reserve: At the completion of each annual audit, and following certification of the Annual Comprehensive Financial Report (ACFR) by the City's independent auditor for that particular fiscal year, a percentage of the net change in year-end audited unassigned fund balance—up to a maximum five percent may be deposited into the Pension (CalPERS) Liability Sustainability Reserve. The purpose of the reserve is to mitigate against the potential impact that a sudden shutdown or unforeseen decline/loss of available general fund revenue would have on any unforeseen Pension Liabilities associated with contracted CalPERS Retirement Service Plans.

Casino Revenue Sustainability Reserve: The City amended Resolution 2013-159, by the adopting Resolution 2016-218 which established a new discretionary reserve, the Casino Revenue Sustainability Reserve. The purpose of the reserve is to mitigate against the potential impact that a sudden shutdown or loss of casino revenue would have on the City's ability to maintain current operations and service levels. This reserve gives the City the ability to save up to maximum of 50% of unused audited fund balance annually to mitigate the potential of future casino revenue impacts. All deposits and withdrawals from the fund are discretionary, but require approval by the Budget, Fiscal & Legislative Standing Committee and a majority approval by resolution of the City Council.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 8 – NET POSITION AND FUND BALANCES (Continued)

The required balance of each reserve for the year ended June 30, 2025, and the actual balance for each as of June 30, 2025, which are reported within the assigned fund balance of the General Fund follows:

	Required Ending Balance	Balance as of June 30, 2025
Catastrophic Reserve	\$28,152,495	\$28,152,495
Budget Stabilization Reserve	2,815,249	2,815,249
City Manager's Contingency Reserve	156,010	156,010
Building, Facilities, & Parks Maintenance	1,694,205	1,694,205
Asset and Vehicle Replacement Reserve	1,005,192	1,005,192
General Fund Designated Reserve	6,741,278	6,741,278
Sales Tax Revenue Sustainability Reserve	2,026,771	2,026,771
General Liability Sustainability Reserve	1,013,386	1,013,386
Pension (CalPERS) Liability Sustainability Reserve	1,013,386	1,013,386
Casino Revenue Sustainability Reserve	12,682,993	12,682,993
Total General Fund Assigned Fund Balance		<u>\$57,300,965</u>

NOTE 9 – PENSION PLANS

A. General Information about the CalPERS Pension Plans

Plan Description – All qualified permanent and probationary employees are required to participate in the City's separate Safety (police) and Miscellaneous (all other) Employee Pension Rate Plans. The City's Miscellaneous and Safety Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Individual employers may sponsor more than one miscellaneous and safety rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. The City sponsors two cost-sharing multiple-employer defined benefit pension plans, each with two rate plans as identified in the benefits table below. 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 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 – PENSION PLANS (Continued)

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

	Miscellaneous	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.75%
Required employer contribution rates	14.13%	7.87%

	Safety	
	Classic	PEPRA
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	9.0%	13.75%
Required employer contribution rates	27.32%	13.76%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The City elected to make the pay as you go contributions and the required contribution for the unfunded liability was a lump sum payment of \$4,609,602 in fiscal year 2025.

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

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 – PENSION PLANS (Continued)

For the year ended June 30, 2025, the City’s total contributions to the Plan were \$7,766,296.

The long-term portion of the Governmental Activities Net Pension Liability is liquidated primarily by the General Fund.

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

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

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

	Proportionate Share of Net Pension Liability
Miscellaneous	\$23,111,070
Safety	35,880,545
Total Net Pension Liability	<u>\$58,991,615</u>

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

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

	Miscellaneous
Proportion - June 30, 2023	0.46386%
Proportion - June 30, 2024	0.47784%
Change - Increase (Decrease)	<u>0.01398%</u>
	Safety
Proportion - June 30, 2023	0.48592%
Proportion - June 30, 2024	0.49213%
Change - Increase (Decrease)	<u>0.00621%</u>

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 – PENSION PLANS (Continued)

For the year ended June 30, 2025, the City recognized pension expense of \$3,937,852 and \$7,325,769, respectively, for the Miscellaneous and Safety Plans. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$2,893,005	
Differences between actual and expected experience	1,998,164	(\$77,967)
Changes in assumptions	594,002	
Net differences between projected and actual earnings on plan investments	1,330,476	
Change in proportion and differences between actual contributions and proportionate share of contributions	353,184	(79,178)
Adjustment due to differences in proportion	51,182	(590,989)
Total Miscellaneous Plan	<u>7,220,013</u>	<u>(748,134)</u>
Safety Plan:		
Pension contributions subsequent to measurement date	4,873,291	
Differences between actual and expected experience	2,928,171	(95,207)
Changes in assumptions	884,023	
Net differences between projected and actual earnings on plan investments	1,734,302	
Change in proportion and differences between actual contributions and proportionate share of contributions	1,121,058	(329,554)
Adjustment due to differences in proportion	343,606	(187,726)
Total Safety Plan	<u>11,884,451</u>	<u>(612,487)</u>
Total	<u><u>\$19,104,464</u></u>	<u><u>(\$1,360,621)</u></u>

Deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026 for \$2,893,005 and \$4,873,291, respectively, for the Miscellaneous and Safety Plan. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Miscellaneous Plan	
Year Ended June 30	Annual Amortization
2026	\$974,977
2027	3,018,119
2028	41,716
2029	(455,938)
Total	<u><u>\$3,578,874</u></u>
Safety Plan	
Year Ended June 30	Annual Amortization
2026	\$2,502,594
2027	4,357,315
2028	132,163
2029	(593,399)
Total	<u><u>\$6,398,673</u></u>

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 – PENSION PLANS (Continued)

Actuarial Assumptions – 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, 2023 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

	Miscellaneous (1)	Safety (1)
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	6.90% (2)	6.90% (2)
Mortality Rate Table	Derived using CalPERS Membership Data for all Funds (3)	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter.	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter.

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

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

(3) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on 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.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of November 2021 actuarial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from 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.

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 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.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 9 – PENSION PLANS (Continued)

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

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%
Total	100%	

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

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

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

The following presents the City's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability	\$33,977,940	\$53,215,815
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$23,111,070	\$35,880,545
1% Increase	7.90%	7.90%
Net Pension Liability	\$14,166,037	\$21,702,731

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

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 – POST RETIREMENT HEALTH CARE DEFINED BENEFIT PLAN

A. General Information about the City's Other Post Employment Benefit (OPEB) Plan

Plan Description – In addition to the pension benefits described in Note 9 above, the City provides medical and dental benefits to substantially all retirees under the City of San Pablo Retiree Health Savings Plan, a single-employer defined benefit healthcare plan, in accordance with paragraph 4 of GASB Statement No. 75. Coverage is also provided for spouses of employees having a minimum of 20 years of service at retirement.

Benefits Provided – The following is a summary of Plan benefits by employee group as of June 30, 2025:

	San Pablo Police Employees Association (SPPEA)	Public Employees Local One/AFSCME	Executive Management	Contract Employees	Elected Officials	Confidential, Division managers, and AIE
Benefit Types Provided	Medical only (E)	Medical only	Medical and Dental	Medical and Dental	Medical and Dental (H)	Medical only
Duration of Benefits (A)	Until Age 65 (B)(D)	Until Age 65 (B)	Lifetime (G)	Lifetime (G)	Lifetime (G)	Until Age 65 (B)
Required Service: Basic	Service Retirement under CALPERS within 120 days of separation (F)					
Supplemental	10 years for 1- party supplemental. 20 years for 2-party supplemental	15 years for \$135 supplemental. 25 years for \$480 supplemental	10 years	5 years for City Manager. 10 years for City Attorney	2 terms (8 years) for supplemental medical. 3 terms (12 years) for supplemental medical and dental	15 years for \$135 supplemental. 25 years for \$480 supplemental
Minimum Age	50	50	50	50	50	50
Dependent Coverage	One dependent, if EE served for 20+ years (20 years)	Yes, if EE served for more than 25 years	Yes	Yes	Yes	Yes, if EE served for more than 25 years
City Contribution	100%	Flat amount \$135 for 15+ years of service; \$480 for 25+ years of service and enrolled in a plan for 2 or more	100%	100%	100%	Flat amount \$135 for 15+ years of service; \$480 for 25+ years of service and enrolled in a plan for 2 or more
City PEMHCA Contribution Cap per Month (Basic) (C)	\$128 for single \$220 for two party (E) \$285 for family (E)	\$128 for single \$220 for two party \$285 for family	\$128 for single \$220 for two party \$285 for family	\$128 for single \$220 for two party \$285 for family	\$128 for single \$220 for two party \$285 for family	\$128 for single \$220 for two party \$285 for family
City Supplemental Contribution Cap per Month (Supp)	Cost of 1-party or 2-party plan selected by retiree (D)	15 years service \$135; 25 years of service \$480	None	None	None	15 years service \$135; 25 years of service \$480

(A) Duration is subject to limitations as specified in the Memorandum of Understanding with each bargaining unit.

(B) From the date of retirement and until such time the retiree becomes eligible for Medicare, turns the age of sixty-five (65) receives health insurance coverage from another source, or dies, whichever comes first.

(C) The minimum contributions under the Public Employees Medical and Hospital Care Act (PEMHCA) is adjusted by CalPERS annually.

(D) Those hired before May 1, 1986 with 20 years of service are entitled to receive a monthly amount equivalent to a Kaiser Supplement/Managed Medicare 1-party plan rate at time of retirement until death of the retiree.

(E) Benefit only applies if the retiree was hired before July 1, 2014.

(F) Qualified annuitants that retire under an Industrial Disability Retirement and are members of SPPEA and have attained 20+ years of service will receive the same benefit as those with Service Retirements.

(G) City shall pay the monthly supplemental allowance for life of the retiree, or if the retiree has died, to the retirees spouse or registered domestic partner.

(H) City Council members first elected before Jan. 1, 2013 and City Treasurer and City Clerk if elected prior to November 2010 that have served a minimum of 2 terms are eligible for city-paid supplemental medical coverage. City Council members that have served at least three terms, and were elected prior to Jan. 1, 2013 are also eligible for continued dental coverage.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 – POST RETIREMENT HEALTH CARE DEFINED BENEFIT PLAN (Continued)

For the year ended June 30, 2025, the City’s contributions to the Plan were \$638,980.

Employees Covered by Benefit Terms – Membership in the plan consisted of the following at the measurement date of June 30, 2025:

Active employees	148
Inactive employees or beneficiaries currently receiving benefit payments	78
Total	226

B. Total OPEB Liability

Actuarial Methods and Assumptions – The City’s net OPEB liability (asset) was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated June 30, 2024 that was rolled forward using standard update procedures to determine the \$14,140,380 total OPEB liability as of June 30, 2025, based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry age normal, level percent of pay
Amortization Method	Closed period, level percent pay
Amortization Period	20 years
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.30%
Payroll Growth	2.80%
Investment Rate of Return	6.50%
Mortality Rate	Based on CalPERS Rates
Pre-Retirement Turnover	Based on CalPERS Rates
Healthcare Trend Rate	6.80%, trending down to 4.04%

Discount Rate – The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on the City’s OPEB plan assets, invested with ICMA-RC in the VT II Model Portfolio Aggressive Fund is 6.50%. This rate of return is the 10 year average annual return based on past performance of the fund and is provided by ICMA-RC.

Changes in Assumptions – The actuarial valuation at June 30, 2024 included a change to the healthcare trend rate to 6.80%, trending down to 4.04%, instead of 5.40% trending down to 3.73% for the actuarial valuation dated June 30, 2022.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 – POST RETIREMENT HEALTH CARE DEFINED BENEFIT PLAN (Continued)

C. Changes in Total OPEB Liability and Plan Fiduciary Net Position

The changes in the total OPEB liability and plan fiduciary net position follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2024	\$12,402,438	\$15,162,219	(\$2,759,781)
Changes Recognized for the Measurement Period:			
Service Cost	396,621		396,621
Interest on the total OPEB liability	802,912		802,912
Differences between expected and actual experience	2,017,775		2,017,775
Changes of Assumptions	(586,259)		(586,259)
Contributions Employer - City's Contribution		638,980	(638,980)
Contributions Employer - Implicit Subsidy		254,127	(254,127)
Net investment income		1,947,233	(1,947,233)
Benefit payments - Employee Contributions	(638,980)	(638,980)	
Benefit payments - Implicit Rate Subsidy Fulfilled	(254,127)	(254,127)	
Net changes	1,737,942	1,947,233	(209,291)
Balance at June 30, 2025	\$14,140,380	\$17,109,452	(\$2,969,072)

Detailed information about the OPEB plan's fiduciary net position is available in the Retiree Health Savings Plan Trust Fund. The benefit payments and refunds include implied subsidy benefit payments in the amount of \$254,127. At June 30, 2025, the plan's fiduciary net position as a percentage of the plan's total OPEB liability was 121.00%.

The long-term portion of the Governmental Activities OPEB Liability is liquidated primarily by the General Fund.

D. Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate:

Net OPEB Liability/(Asset)		
Discount Rate -1%	Current Discount Rate	Discount Rate +1%
(5.50%)	(6.50%)	(7.50%)
(\$1,597,810)	(\$2,969,072)	(\$4,156,081)

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 10 – POST RETIREMENT HEALTH CARE DEFINED BENEFIT PLAN (Continued)

The following presents the net OPEB liability (asset) of the City, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.80%) or 1-percentage-point higher (8.80%) than the current healthcare cost trend rates:

Net OPEB Liability/(Asset)		
Current Healthcare Cost		
1% Decrease 6.80% non-Medicare / 5.80% Medicare decreasing to 3.04%	Trend Rates 7.80% non-Medicare / 6.80% Medicare decreasing to 4.04%	1% Increase 8.80% non-Medicare / 7.80% Medicare decreasing to 5.04%
(\$4,149,859)	(\$2,969,072)	(\$1,588,356)

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

For the year ended June 30, 2025, the City recognized OPEB expense of (\$1,179,846). At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,804,217	(\$2,037,894)
Changes of assumptions	1,874,264	(2,050,129)
Net differences between projected and actual earnings on plan investments		(1,348,401)
Total	<u>\$3,678,481</u>	<u>(\$5,436,424)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Year Ended June 30	Annual Amortization
2026	\$3,843
2027	(746,884)
2028	(637,351)
2029	(276,011)
2030	(132,002)
Thereafter	30,462
Total	<u>(\$1,757,943)</u>

NOTE 11 – DEFERRED COMPENSATION PLAN

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 this plan, 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 City does not provide any contributions to the Deferred Compensation Plan and all contributions to the plan are made by employees.

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 SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 12 – RISK MANAGEMENT

A. *Municipal Pooling Authority (MPA)*

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

Type of Coverage (Deductible)	Coverage Limits
Liability (\$10,000)	\$29,000,000
Cyber Liability (\$50,000)	2,000,000
Auto Collision & Comprehensive - Police Vehicles (\$3,000)	250,000
Auto Collision & Comprehensive - All Other Vehicles (\$2,000)	250,000
Public Entity Pollution Liability (\$250,000)	2,000,000
Workers' Compensation (no deductible)	Statutory Limit
Government Crime Coverage (\$2,500)	5,000,000
Employment Liability Program (\$50,000)	1,000,000
Property	
All Risk (\$25,000)	1,000,000,000
Water (\$150,000)	800,000,000
Flood*	25,000,000
Boiler & Machinery (\$10,000)	100,000,000

* \$100,000 minimum deductible, per occurrence, except
Zone A and V, which are subject to a \$500,000 deductible,
per occurrence

The Authority is governed by a Board consisting of representatives from member municipalities. The Board controls the operations of the Authority, 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 Authority are in accordance with formulas established by the Authority. 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.

Audited financial statements for the Authority are available from MPA, 1911 San Miguel Drive, Suite 200, Walnut Creek, CA 94596.

Settlements did not exceed insurance coverage for the last three fiscal years.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 12 – RISK MANAGEMENT (Continued)

B. Liability for Uninsured Claims

The City provides for the uninsured portion of claims and judgments, including a provision for claims incurred but not reported, when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable.

The City's liability for uninsured claims at June 30 was estimated by management based on claims experience reported by the Authority and was computed as follows:

	June 30,	
	2025	2024
Beginning balance	\$126,705	\$102,669
Provision for current fiscal year claims	37,322	57,205
Change in provision for prior fiscal year claims	(474,551)	(1,315,331)
Claims paid	410,009	1,282,162
Ending balance	<u>\$99,485</u>	<u>\$126,705</u>

NOTE 13 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES

The activities of the Successor Agency are reported in the Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund as the activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency to wind down the affairs of the former Redevelopment Agency. Activities of the Successor Agency are as follows:

A. Cash and Investments

Cash and investments of the Successor Agency as of June 30, 2025 are discussed in Note 3.

Information presented in the following footnotes represents other assets and liabilities of the Successor Agency as of June 30, 2025.

B. Loans Receivable

The Successor Agency assumed the non-housing loans receivable of the former Redevelopment Agency as of February 1, 2012. The former Redevelopment Agency engaged in programs designed to encourage construction of or improvement to low-to-moderate income housing. Under these programs, grants or loans were provided under favorable terms to homeowners or developers who agreed to expend these funds in accordance with the Agency's terms. As of June 30, 2025, the balances of these loans was \$23,127.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 13 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

During fiscal year 2016, in conjunction with the sale of Successor Agency-owned property, the Successor Agency agreed to loan the funds necessary for the land purchase to the buyer. The loan is secured by a promissory note and deed of trust on the property. The Note bears simple annual interest of 3.25% and interest payments are due annually each December through 2039. The principal balance of the Note is due on December 10, 2039. The balance of the note receivable was \$616,574 as of June 30, 2025.

In July 2018, in conjunction with the sale of Successor Agency-owned property at Mission Plaza, the Successor Agency provided financing to the San Pablo Economic Development Corporation in the amount of \$1,350,000. During fiscal year ended June 30, 2020, the EDC paid \$50,000 towards the principal on the note, reducing it to \$1,300,000. The Note is secured by the property, bears interest at an annual rate of 4%, and is due no later than twelve years from the date of the note. The EDC will make annual interest-only payments of \$52,000 to the Successor Agency over the course of 12 years, at which time, the balance of principal will be due.

The balances of the notes receivable arising from these programs at June 30, 2025 are as follows:

Micro Loan Program	\$23,127
Pakpour Loan	616,574
EDC - Mission Plaza	<u>1,300,000</u>
Total	<u><u>\$1,939,701</u></u>

C. *Property Held for Resale*

The Successor Agency assumed the property held for resale of the former Redevelopment Agency as of February 1, 2012. The former Redevelopment Agency had purchased parcels of land as part of its efforts to develop or redevelop blighted properties within the Redevelopment areas. Such land parcels are accounted for at the lower of cost or net realizable value or agreed-upon sales price if a disposition agreement has been made with a developer.

D. *Capital Assets*

The Successor Agency assumed the capital assets of the former Redevelopment Agency as of February 1, 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years.

All capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the balance sheet as a reduction in the book value of capital assets.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 13 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

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

	Useful Lives Years	Capitalization Threshold
Buildings and Improvements	10-50	\$25,000
Machinery and Equipment	5-10	5,000
Vehicles	5-10	5,000

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets recorded at June 30, 2025 is comprised of the following:

	Balance at June 30, 2024	Additions	Balance at June 30, 2025
Capital assets not being depreciated:			
Land and land improvements	\$2,819,393		\$2,819,393
Total capital assets not being depreciated	<u>2,819,393</u>		<u>2,819,393</u>
Capital assets being depreciated:			
Buildings and improvements	2,595,816		2,595,816
Vehicles	26,144		26,144
Total capital assets being depreciated	<u>2,621,960</u>		<u>2,621,960</u>
Less accumulated depreciation for:			
Buildings and improvements	1,832,406	\$64,115	1,896,521
Vehicles	26,144		26,144
Total accumulated depreciation	<u>1,858,550</u>	<u>64,115</u>	<u>1,922,665</u>
Net capital assets being depreciated	<u>763,410</u>	<u>(64,115)</u>	<u>699,295</u>
Capital assets, net	<u><u>\$3,582,803</u></u>	<u><u>(\$64,115)</u></u>	<u><u>\$3,518,688</u></u>

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 13 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

E. Long-Term Obligations

The Successor Agency assumed the long-term debt and loans of the former Redevelopment Agency as of February 1, 2012.

Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond discount and gross of the applicable premium. Any differences between refunded debt and the debt issued to refund it are amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter. The deferred charge on refunding is reported as a deferred outflow or deferred inflow of resources, as applicable. Bond issuance costs, other than prepaid insurance, are expensed in the year incurred.

1. Tax Allocation Bonds and Loans

All of the long-term debt of the Successor Agency is comprised of Tax Allocation Bonds and loans issued by the former Redevelopment Agency. The bonds and loans are special obligations of the Agency and are secured only by the Agency's tax increment revenues. Tax Allocation Bonds and loan transactions were as follows:

	Original Issue Amount	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Current Portion
Tax Allocation Bonds:						
Tax Allocation Refunding Bonds Series 2014A						
2.00-5.00%, due 6/15/2031	\$47,595,000	\$24,150,000		\$24,150,000		
Premium	6,429,385	2,647,394		2,647,394		
Tax Allocation Refunding Bonds Series 2016						
3.00-3.81%, due 6/15/2029	2,685,531	2,775,977	\$1,154,228	1,235,582	\$2,694,623	\$540,585
Tax Allocation Refunding Bonds Series 2024						
5.00%, due 6/15/2031	22,680,000		22,680,000	3,420,000	19,260,000	3,185,000
Premium	1,866,418		1,866,418	42,134	1,824,284	
Total Tax Allocation Bonds		<u>29,573,371</u>	<u>25,700,646</u>	<u>31,495,110</u>	<u>23,778,907</u>	<u>3,725,585</u>
Total Successor Agency Debt		<u>\$29,573,371</u>	<u>\$25,700,646</u>	<u>\$31,495,110</u>	<u>\$23,778,907</u>	<u>\$3,725,585</u>

2. Debt Service Requirements

Debt service requirements are shown below for all long-term debt except the Housing Successor loans, because the ultimate repayment terms cannot be determined at this time as discussed in Note 13.F. below:

For the Year Ending June 30	Principal (1)	Interest	Total
2026	\$3,725,585	\$1,162,415	\$4,888,000
2027	3,610,192	943,558	4,553,750
2028	3,763,503	795,747	4,559,250
2029	3,920,669	640,581	4,561,250
2030	3,335,000	284,500	3,619,500
2031	<u>2,355,000</u>	<u>117,750</u>	<u>2,472,750</u>
Total	<u>\$20,709,949</u>	<u>\$3,944,551</u>	<u>\$24,654,500</u>

(1) Includes unaccrued discount of \$1,244,674.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 13 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

3. *2014 Tax Allocation Bonds, Series A*

On June 1, 2014, the Agency issued \$47,595,000 in 2014 Tax Allocation Bonds, Series A. The proceeds of these bonds, secured by property tax revenues in the Redevelopment Property Tax Trust Fund, were used to refund and defease the outstanding 2001 Tax Allocation Revenue Serial and Term Bonds, a portion of the 2001 Tax Allocation Revenue Capital Appreciation Bonds, a portion of the 2004 Tax Allocation Revenue Bonds and the outstanding balance of the 2006 Subordinate Tax Allocation Bonds. The 2014 Tax Allocation Bonds, Series A, were fully refunded on October 10, 2024 with the Tax Allocation Refunding Bonds, Series 2024. The outstanding balance of the defeased 2014 Tax Allocation Bonds, Series A, was \$20,890,000.

4. *2016 Subordinate Tax Allocation Refunding Bonds*

On August 1, 2016, the Agency issued \$2,685,531 in 2016 Subordinate Tax Allocation Refunding Bonds. The proceeds of these bonds, secured by property tax revenues in the Redevelopment Property Tax Trust Fund, are to be used to refund the total amount outstanding for the 2001 Tax Allocations Bonds. The refunding reduced the total debt service payments over 6 years by \$600,000 and resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$377,281. The bonds bear interest rates between 3.0% and 3.81% with interest payments and principal payments made annually on June of each year commencing 2024 through 2029.

The 2016 Bonds shall not bear interest, but shall accrete in value from their Initial Denominational Amount on the date of issuance thereof to their stated maturity at a compounded interest rate, and shall be payable only on maturity thereof. Interest on the 2016 Bonds shall be compounded, commencing on December 15, 2016 and thereafter on each June 15th and December 15th in each Bond Year. Accreted value with respect to the 2016 Bonds shall be calculated based on the basis of a 360 day year consisting of twelve 30-day months. For the fiscal year ended June 30, 2025, the City recorded an accreted value of \$1,244,674 related to the 2016 Bonds.

5. *Tax Allocation Refunding Bonds, Series 2024*

On October 10, 2024, the Agency issued \$22,680,000 in 2024 Tax Allocation Refunding Bonds. The proceeds of these bonds, secured by a pledge of Subordinate Pledged Tax Revenues on a parity with the Agency's Subordinate Tax Allocation Refunding Bonds Series 2016, are to be used to refund the total amount outstanding for the Agency's Tax Allocation Refunding Bonds, Series 2014A. The 2024 Bonds are being issued to defease and refund all of the 2014A Bonds, which were outstanding in the aggregate principal amount of \$24,150,000, at the time of issue, and to pay costs of issuance related to the transaction. The refunding resulted in a net present value savings of \$1,626,839.

The bonds bear an interest rate of 5.00% with interest payments and principal payments made semiannually on June 15 and December 15 of each year commencing December 15, 2024 through 2031.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 13 – REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES
(Continued)

6. *Pledged Revenues*

As discussed above, the Agency has pledged all future tax increment revenues, less amounts required to be set aside in the Redevelopment Agency Low and Moderate Income Housing Fund, for the repayment of the Tax Allocation Bonds. The 1999A, 2001 and 2004 Bonds are considered senior parity obligations, while the 2014A and 2014B Bonds are subordinated to those Bonds. The pledge of all future tax increment revenues ends upon repayment of \$24,654,500 remaining debt service on the Bonds above, which is scheduled to occur in 2031. With the issuance of the 2014B Bonds, projected tax increment revenues are expected to provide coverage over debt service of 149%-241% over the life of the outstanding Bonds. With the dissolution of the Redevelopment Agency discussed above, Tax Increment is no longer distributed, and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust Fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues.

Beginning in fiscal year 2012, under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. Total tax increment available for distribution to the Successor Agency and other taxing entities for fiscal year 2025 calculated by the County Auditor-Controller was \$5,415,917, and the total received by the Successor Agency for fiscal year 2025 debt service was \$5,357,029, which represented coverage of 110% of the \$4,887,650 of debt service.

With the issuance of the 2014A Bonds in June 2014, the Successor Agency entered into a Custody Agreement with the Contra Costa County Auditor-Controller and the Bond trustee, Wells Fargo Bank, under which the County will remit all amounts payable under the Recognized Obligation Payment Schedule (ROPS) to the Bond trustee. Upon receipt of funds from the County, the Bond trustee uses the funds to first pay the debt service on the Senior Bonds, followed by the debt service for the Subordinate Bonds. Any funds remaining on deposit with the Bond trustee after the debt service payments are then transferred to the Successor Agency for payment of its other non-debt-service obligations.

F. *Commitments and Contingencies*

State Approval of Enforceable Obligations

The Successor Agency prepares a Recognized Obligation Payment Schedule (ROPS) semi-annually that contains all proposed expenditures for the subsequent six-month period. The ROPS is subject to the review and approval of the Oversight Board as well as the State Department of Finance. Although the State Department of Finance may not question items included on the ROPS in one period, they may question the same items in a future period and disallow associated activities. The amount, if any, of current obligations that may be denied by the State Department of Finance cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 14 – JOINT POWERS AGREEMENT

A. *West Contra Costa Transportation Advisory Committee (WCCTAC)*

WCCTAC was established in 1990 to develop regional strategies and meet regional requirements established by Measure C and to cooperatively address West Contra Costa County transportation issues. The City's payments to WCCTAC are in accordance with a formula under which each member Agency pays a proportionate share of the expenditures based on the number of voting members representing each Agency. The City has one voting member on the WCCTAC and pays 9.1% of the expenditures. For fiscal year 2024-2025, the dues paid to WCCTAC were \$55,911.

Audited financial statements may be obtained from the WCCTAC, 6333 Potrero Avenue, Suite 100, El Cerrito, CA 94530.

NOTE 15 – LEASE LIABILITY

A summary of governmental activities lease transactions for the fiscal year ended June 30, 2025, are as follows:

	Balance July 01, 2024	Retirements	Balance June 30, 2025	Current Portion
Lease liability				
Library lease	\$13,473,721	\$100,785	\$13,372,936	\$108,956
Total lease liability	<u>\$13,473,721</u>	<u>\$100,785</u>	<u>\$13,372,936</u>	<u>\$108,956</u>

The City entered into a lease agreement dated September 15, 2014 for library space located at 13751 San Pablo Avenue through February 2063. This agreement does not contain a purchase option. An initial lease liability was recorded in the amount of \$13,655,171 as of July 1, 2022. As of June 30, 2025, the value of the lease liability was \$13,372,936. The City is required to make monthly payments in amounts ranging from \$41,830 to \$61,052 over the life of the lease. The monthly lease payments are increased annually in the amount of 1%, commencing March 1, 2024. The lease has an interest rate of 3%. The intangible right-to-use leased building is amortized over the life of the lease. As of June 30, 2025, the value of the right-to-use leased building and accumulated amortization was \$13,741,104 and \$1,319,145, respectively.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 15 – LEASE LIABILITY (Continued)

The future principal and interest lease payments as of June 30, 2025 were as follows:

For the Year Ended June 30	Principal	Interest	Total
2026	\$108,956	\$399,715	\$508,671
2027	117,427	396,331	513,758
2028	126,207	392,688	518,895
2029	135,307	388,777	524,084
2030	144,736	384,589	529,325
2031-2035	877,396	1,849,695	2,727,091
2036-2040	1,168,986	1,697,214	2,866,200
2041-2045	1,515,343	1,497,062	3,012,405
2046-2050	1,925,707	1,240,361	3,166,068
2051-2055	2,410,833	916,737	3,327,570
2056-2060	2,983,234	514,075	3,497,309
2061-2063	1,858,804	77,990	1,936,794
Totals	<u>\$13,372,936</u>	<u>\$9,755,234</u>	<u>\$23,128,170</u>

NOTE 16 – COMMITMENTS AND CONTINGENCIES

A. *Litigation*

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

B. *Federal and State Grant Programs*

The City participates in several federal and State grant programs. These programs are subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

C. *Encumbrances*

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year-end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end.

CITY OF SAN PABLO
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

NOTE 16 – COMMITMENTS AND CONTINGENCIES (Continued)

Encumbrances outstanding as of June 30, 2025 were as follows:

	<u>Amount</u>
<i>Major Funds:</i>	
General Fund	\$2,697,261
Low and Moderate Income Housing Assets Special Revenue Fund	883,779
Public Works Construction Capital Projects Fund	22,966,254
<i>NonMajor Funds:</i>	
Gas Tax Special Revenue Fund	83,602
Development Services Special Revenue Fund	108,154
Environmental Services Special Revenue Fund	33,441
Street Lighting and Landscaping Special Revenue Fund	8,206,759
Measure K Special Revenue Fund	3,065
Public Safety Special Revenue Fund	120,000
Paratransit Special Revenue Fund	1,748

D. Casino Revenues

Casino revenues received from the Lytton Band of Pomo Indians (Band) remain an essential revenue source to the City of San Pablo (City). These revenues fund core municipal functions including Police, Recreation, Information Technology, Public Works, Code Enforcement, and Building Plan Check and Inspection services. For the fiscal year ended June 30, 2025, approximately 61% of the City's General Fund revenues were derived from payments received under the Municipal Services Agreement and P.I.L.O.T. program with the Casino.

This continued reliance on a single revenue source introduces concentration risk to the City's financial position and operations. Any disruptions to Casino operations, modifications to revenue-sharing terms, or broader regulatory or economic changes affecting the Casino could materially impact the City's ability to fund general governmental services.

To strengthen long-term fiscal sustainability, the City is actively identifying and implementing additional General Fund revenue enhancements. These efforts include updates to the City's Master Fee Schedule and current Business License and Transient Occupancy Tax audits designed to increase other General Fund revenue sources. These initiatives support the City's broader strategy to diversify its revenue base and reduce reliance on Casino-related sources.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN PABLO, A COST-SHARING DEFINED BENEFIT PENSION PLAN SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Last 10 Years

Measurement Date	Miscellaneous Plan				
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan's Proportion of the Net Pension Liability	0.41099%	0.40834%	0.41331%	0.42669%	0.43442%
Plan's Proportionate Share of the Net Pension Liability	<u>\$11,275,238</u>	<u>\$14,185,078</u>	<u>\$16,292,956</u>	<u>\$16,080,684</u>	<u>\$17,396,184</u>
Plan's Covered Payroll	\$7,057,629	\$7,383,158	\$7,683,846	\$6,938,272	\$11,781,215
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	159.76%	192.13%	212.04%	231.77%	147.66%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.40%	74.06%	73.31%	75.26%	75.26%
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Plan's Proportion of the Net Pension Liability	0.44311%	0.64074%	0.46289%	0.46386%	0.47784%
Plan's Proportionate Share of the Net Pension Liability	<u>\$18,690,869</u>	<u>\$12,166,401</u>	<u>\$21,659,700</u>	<u>\$23,195,159</u>	<u>\$23,111,070</u>
Plan's Covered Payroll	\$10,348,908	\$8,773,911	\$7,247,760	\$8,166,527	\$10,297,987
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	180.61%	138.67%	298.85%	284.03%	224.42%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.10%	88.29%	70.16%	77.97%	78.08%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN PABLO, A COST-SHARING DEFINED BENEFIT PENSION PLAN SCHEDULE OF CONTRIBUTIONS Last 10 Years

	Miscellaneous Plan				
Fiscal Year Ended June 30:	2016	2017	2018	2019	2020
Actuarially determined contribution	\$872,009	\$999,873	\$1,131,296	\$1,286,271	\$1,767,388
Contributions in relation to the actuarially determined contributions	(872,009)	(999,873)	(1,131,296)	(1,286,271)	(1,767,388)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$7,383,158	\$7,683,846	\$6,938,272	\$11,781,215	\$10,348,908
Contributions as a percentage of covered payroll	11.81%	13.01%	16.31%	10.92%	17.08%
Fiscal Year Ended June 30:	2021	2022	2023	2024	2025
Actuarially determined contribution	\$1,493,135	\$2,222,875	\$2,453,673	\$2,527,793	\$2,893,005
Contributions in relation to the actuarially determined contributions	(1,493,135)	(2,222,875)	(2,453,673)	(2,527,793)	(2,893,005)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$8,773,911	\$7,247,760	\$8,166,527	\$10,297,987	\$11,037,713
Contributions as a percentage of covered payroll	17.02%	30.67%	30.05%	24.55%	26.21%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN PABLO, A COST-SHARING DEFINED BENEFIT PENSION PLAN SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY Last 10 Years

Measurement Date	Safety Plan				
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Plan's Proportion of the Net Pension Liability	0.38625%	0.38625%	0.39888%	0.41251%	0.42057%
Plan's Proportionate Share of the Net Pension Liability	<u>\$15,915,059</u>	<u>\$20,687,669</u>	<u>\$23,833,863</u>	<u>\$24,204,484</u>	<u>\$26,254,183</u>
Plan's Covered Payroll	\$5,551,419	\$5,433,597	\$5,220,618	\$5,714,774	\$11,777,820
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	286.68%	380.74%	456.53%	423.54%	222.91%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.40%	74.06%	73.31%	75.26%	75.26%
Measurement Date	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Plan's Proportion of the Net Pension Liability	0.43224%	0.51771%	0.48851%	0.48592%	0.49213%
Plan's Proportionate Share of the Net Pension Liability	<u>\$28,797,616</u>	<u>\$18,169,077</u>	<u>\$33,568,233</u>	<u>\$36,322,190</u>	<u>\$35,880,545</u>
Plan's Covered Payroll	\$10,017,013	\$7,414,125	\$7,448,818	\$8,222,470	\$11,050,300
Plan's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	287.49%	245.06%	450.65%	441.74%	324.70%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.10%	88.29%	76.68%	74.87%	78.08%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN PABLO, A COST-SHARING DEFINED BENEFIT PENSION PLAN SCHEDULE OF CONTRIBUTIONS Last 10 Years

	Safety Plan				
Fiscal Year Ended June 30:	2016	2017	2018	2019	2020
Actuarially determined contribution	\$1,663,467	\$1,825,704	\$2,131,854	\$2,208,400	\$3,011,431
Contributions in relation to the actuarially determined contributions	(1,663,467)	(1,825,704)	(2,131,854)	(2,208,400)	(3,011,431)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$5,433,597	\$5,220,618	\$5,714,774	\$11,777,820	\$10,017,013
Contributions as a percentage of covered payroll	30.61%	34.97%	37.30%	18.75%	30.06%
Fiscal Year Ended June 30:	2021	2022	2023	2024	2025
Actuarially determined contribution	\$2,276,601	\$3,661,411	\$4,079,810	\$4,415,115	\$4,873,291
Contributions in relation to the actuarially determined contributions	(2,276,601)	(3,661,411)	(4,079,810)	(4,415,115)	(4,873,291)
Contribution deficiency (excess)	\$0	\$0	\$0	\$0	\$0
Covered payroll	\$7,414,125	\$7,448,818	\$8,222,470	\$11,050,300	\$11,067,055
Contributions as a percentage of covered payroll	30.71%	49.15%	49.62%	39.95%	44.03%

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN PABLO AGENT MULTIPLE EMPLOYER RETIREE HEALTH SAVINGS PLAN SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY/ (ASSET) AND RELATED RATIOS Last 10 fiscal years*

Measurement Date	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Total OPEB Liability								
Service Cost	\$396,621	\$385,818	\$606,887	\$471,257	\$419,630	\$389,378	\$207,595	\$214,910
Interest	802,912	782,971	855,088	872,071	982,580	1,332,910	892,841	533,653
Differences between expected and actual experience	2,017,775	(36,744)	(1,219,193)	25,002	(2,878,555)	(115,416)	86,591	
Changes of assumptions	(586,259)		(2,132,636)	1,537,074	1,550,237	(403,849)	2,819,831	1,177,318
Benefit payments - Including refunds of Employee Contributions	(638,980)	(556,937)	(575,884)	(579,886)	(486,360)	(520,071)	(511,963)	(517,741)
Benefit payments - Implicit Rate Subsidy Fulfilled	(254,127)	(222,062)	(270,626)	(253,372)	(168,244)	(147,626)	(17,700)	(17,617)
Net change in total OPEB liability/ (asset)	1,737,942	353,046	(2,736,364)	2,072,146	(580,712)	535,326	3,477,195	1,390,523
Total OPEB liability - beginning	12,402,438	12,049,392	14,785,756	12,713,610	13,294,322	12,758,996	9,281,801	7,891,278
Total OPEB liability - ending (a)	\$14,140,380	\$12,402,438	\$12,049,392	\$14,785,756	\$12,713,610	\$13,294,322	\$12,758,996	\$9,281,801
Plan fiduciary net position								
Contributions - Employer City/s Contributions	\$638,980	\$556,937	\$575,884	\$579,886	\$486,360	\$520,071	\$511,963	\$517,741
Contributions - Employer Implicit Subsidy	254,127	222,062	270,626	253,372	168,244	147,626	17,700	17,617
Net investment income	1,947,233	2,088,300	1,513,955	(1,627,313)	3,252,106	284,654	488,698	793,503
Benefit payments - Including refunds of Employee Contributions	(638,980)	(556,937)	(575,884)	(579,886)	(486,360)	(520,071)	(511,963)	(517,741)
Benefit payments - Implicit Rate Subsidy Fulfilled	(254,127)	(222,062)	(270,626)	(253,372)	(168,244)	(147,626)	(17,700)	(17,617)
Net change in plan fiduciary net position	1,947,233	2,088,300	1,513,955	(1,627,313)	3,252,106	284,654	488,698	793,503
Plan fiduciary net position - beginning	15,162,219	13,073,919	11,559,964	13,187,277	9,935,171	9,650,517	9,161,819	8,368,316
Plan fiduciary net position - ending (b)	\$17,109,452	\$15,162,219	\$13,073,919	\$11,559,964	\$13,187,277	\$9,935,171	\$9,650,517	\$9,161,819
Net OPEB liability (asset) - ending (a)-(b)	(\$2,969,072)	(\$2,759,781)	(\$1,024,527)	\$3,225,792	(\$473,667)	\$3,359,151	\$3,108,479	\$119,982
Plan fiduciary net position as a percentage of the total OPEB liability	121.00%	122.25%	108.50%	78.18%	103.73%	74.73%	75.64%	98.71%
Covered payroll	\$22,705,476	\$22,087,039	\$18,699,589	\$15,999,016	\$15,123,759	\$12,321,331	\$11,991,563	\$12,161,432
Net OPEB liability (asset) as a percentage of covered payroll	-13.08%	-12.50%	-5.48%	20.16%	-3.13%	27.26%	25.92%	0.99%

* Fiscal year 2018 was the first year of implementation.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SAN PABLO AGENT MULTIPLE EMPLOYER RETIREE HEALTH SAVINGS PLAN SCHEDULE OF CONTRIBUTIONS Last 10 fiscal years*

Fiscal Year Ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	\$275,633	\$317,527	\$838,231	\$833,258	\$744,516	\$566,824	\$231,532	\$178,156
Contributions in relation to the actuarially determined contribution	893,107	778,999	846,510	833,258	654,604	667,697	529,663	535,358
Contribution deficiency (excess)	<u>(\$617,474)</u>	<u>(\$461,472)</u>	<u>(\$8,279)</u>	<u>\$0</u>	<u>\$89,912</u>	<u>(\$100,873)</u>	<u>(\$298,131)</u>	<u>(\$357,202)</u>
Covered payroll	\$22,705,476	\$22,087,039	\$18,699,589	\$15,999,016	\$15,123,759	\$12,321,331	\$14,310,894	\$12,161,432
Contributions as a percentage of covered payroll	3.93%	3.53%	4.53%	5.21%	4.33%	5.42%	3.70%	4.40%
Notes to Schedule								
Valuation date:	6/30/2024	6/30/2022	6/30/2022	6/30/2020	6/30/2020	6/30/2018	6/30/2018	6/30/2016
<u>Methods and assumptions used to determine contribution rates:</u>								
Valuation Date	6/30/2024	6/30/2022	6/30/2022	6/30/2020	6/30/2020	6/30/2018	6/30/2018	6/30/2016
Actuarial Assumptions:								
Discount Rate	6.50%	6.50%	6.50%	5.71%	6.83%	7.34%	7.36%	7.00%
Inflation	2.30%	2.30%	9.25%	9.25%	1.75%	1.75%	2.50%	2.50%
Payroll Growth	2.80%	2.80%	2.80%	2.75%	2.75%	2.75%	2.750%	2.875%
Investment Rate of Return	6.50%	6.50%	6.50%	5.71%	6.83%	7.34%	7.36%	6.50%
Mortality Rate	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates
Pre-Retirement Turnover	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates	CalPERS Rates
Healthcare Trend Rate	6.8%, trending down to 4.04%.	5.5%, trending down to 3.73%.	6.5%, trending down to 3.73%.	7%, trending down to 4.04%.	7%, trending down to 4.04%.	6%, trending down to 3.84%.	7% trending down to 3.84%.	7% in the first year, trending down to 3% over 3 years.

* Fiscal year 2018 was the first year of implementation.



CITY^{OF} SAN PABLO

City of New Directions

SUPPLEMENTAL INFORMATION



CITY^{OF} SAN PABLO

City of New Directions

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS**GAS TAX**

This fund accounts for revenues and expenditures received from the State of California under Street and Highways Code Section 2105, 2106, 2107 and 2107.5. The allocations must be spent for street maintenance and construction and a limited amount for engineering.

PUBLIC SAFETY

This fund accounts for sales tax allocations required pursuant to Proposition 172. These funds are used to fund public safety activities.

ENVIRONMENTAL SERVICES

This fund accounts for citywide Stormwater Utility Assessment and Solid Waste Franchise Fee revenues. The allocation must be spent for storm water pollution reduction, solid waste reduction, recycling, and composting programs.

DEVELOPMENT SERVICES

This fund accounts for revenues generated from permit and inspection fees and disburses funds to support this activity.

MEASURE C / J

This fund accounts for the portion of the half-cent County-wide sales tax levied to fund transportation improvements to local streets.

ASSET SEIZURES

This fund accounts for revenues received from both adjudicated and unadjudicated sales of assets seized during drug-related arrests and disburses these funds for authorized public safety activities.

PARATRANSIT

This fund accounts for revenues received from the portion of the half cent County-wide sales tax levied to fund expenditures for paratransit service.

STREET LIGHTING AND LANDSCAPING

This fund accounts for assessments made upon parcels of land within the Street Lighting and Landscaping District and disburses funds in accordance with the provisions of the State of California Streets and Highway Code.

NON-MAJOR GOVERNMENTAL FUNDS (Continued)

HCD GRANT

This fund accounts for revenues received under State Housing of Community Development and for CALHOME activities approved and subject to state regulations.

MEASURE K

This fund accounts for revenues from Sales Tax Measure K that provides a quarter (1/4) cent sales tax in perpetuity to fund emergency medical services at County Fire Station #70 in San Pablo.

SAN FRANCISCO BAY WATER QUALITY IMPROVEMENT

This fund accounts for revenues from the Environmental Protection Agency's San Francisco Bay Water Quality Improvement Fund grant program for the Bay's polychlorinated biphenyls special studies and implementation project.

DEBT SERVICE FUNDS**2018 JPFA LEASE REVENUE BONDS**

This fund accounts for capital improvement projects funded by the proceeds of the 2018 JPFA Lease Revenue Bonds.

2022 JPFA LEASE REVENUE BONDS

This fund accounts for capital improvement projects funded by the proceeds of the 2022 Lease Revenue Bonds.

CAPITAL PROJECT FUND**2015 JPFA LEASE REVENUE BONDS**

This fund accounts for capital improvement projects funded by the proceeds of the 2015 JPFA Lease Revenue Bonds.



CITY^{OF} SAN PABLO

City of New Directions

CITY OF SAN PABLO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2025

	SPECIAL REVENUE FUNDS				
	Gas Tax	Public Safety	Environmental Services	Development Services	Measure C / J
ASSETS					
Cash and investments available for operations	\$2,093,556	\$646,044	\$352,888	\$165,284	\$4,922,821
Restricted cash and investments					
Accounts receivable					
Due from other governments	231,657	39,757	51,854		563,074
Total Assets	<u>\$2,325,213</u>	<u>\$685,801</u>	<u>\$404,742</u>	<u>\$165,284</u>	<u>\$5,485,895</u>
LIABILITIES					
Accounts payable and accrued liabilities	\$52,368		\$40	\$32,639	
Deposits payable				77,816	
Total Liabilities	<u>52,368</u>		<u>40</u>	<u>110,455</u>	
FUND BALANCES					
Restricted	<u>2,272,845</u>	<u>\$685,801</u>	<u>404,702</u>	<u>54,829</u>	<u>\$5,485,895</u>
Total Fund Balance	<u>2,272,845</u>	<u>685,801</u>	<u>404,702</u>	<u>54,829</u>	<u>5,485,895</u>
Total Liabilities and Fund Balances	<u>\$2,325,213</u>	<u>\$685,801</u>	<u>\$404,742</u>	<u>\$165,284</u>	<u>\$5,485,895</u>

SPECIAL REVENUE FUNDS

Asset Seizures	Paratransit	Street Lighting and Landscaping	HCD Grant	Measure K	San Francisco Bay Water Quality Improvement
\$275,040	\$794,698	\$506,109	\$149,336	\$667,570	\$4,206
		20,000			
	36,622			265,939	7,129
<u>\$275,040</u>	<u>\$831,320</u>	<u>\$526,109</u>	<u>\$149,336</u>	<u>\$933,509</u>	<u>\$11,335</u>
\$266,026	\$827	\$140,111		\$933,509	
		232,095			
266,026	827	372,206		933,509	
9,014	830,493	153,903	\$149,336		\$11,335
9,014	830,493	153,903	149,336		11,335
<u>\$275,040</u>	<u>\$831,320</u>	<u>\$526,109</u>	<u>\$149,336</u>	<u>\$933,509</u>	<u>\$11,335</u>

(Continued)

CITY OF SAN PABLO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2025

	<u>DEBT SERVICE FUNDS</u>		<u>CAPITAL PROJECT FUND</u>	
	<u>2018 JPFA Lease Revenue Bonds</u>	<u>2022 JPFA Lease Revenue Bonds</u>	<u>2015 JPFA Lease Revenue Bonds</u>	<u>Total Nonmajor Governmental Funds</u>
ASSETS				
Cash and investments available for operations				\$10,577,552
Restricted cash and investments	\$5,723	\$13,884	\$4,357	23,964
Accounts receivable				20,000
Due from other governments				1,196,032
Total Assets	<u>\$5,723</u>	<u>\$13,884</u>	<u>\$4,357</u>	<u>\$11,817,548</u>
LIABILITIES				
Accounts payable and accrued liabilities				\$1,425,520
Deposits payable				309,911
Total Liabilities				<u>1,735,431</u>
FUND BALANCES				
Restricted	<u>\$5,723</u>	<u>\$13,884</u>	<u>\$4,357</u>	<u>10,082,117</u>
Total Fund Balance	<u>5,723</u>	<u>13,884</u>	<u>4,357</u>	<u>10,082,117</u>
Total Liabilities and Fund Balances	<u>\$5,723</u>	<u>\$13,884</u>	<u>\$4,357</u>	<u>\$11,817,548</u>



CITY^{OF} SAN PABLO

City of New Directions

CITY OF SAN PABLO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	SPECIAL REVENUE FUNDS				
	Gas Tax	Public Safety	Environmental Services	Development Services	Measure C / J
REVENUES					
Property taxes					
Sales tax		\$156,206			\$563,074
Other tax			\$590,970		
Licenses and permits				\$431,003	
Intergovernmental	\$1,783,015	194,663	265,588		
Charges for services				1,135,609	
Use of money and property	101,890	34,944	14,292		206,730
Miscellaneous			3,200	6,602	
Total Revenues	1,884,905	385,813	874,050	1,573,214	769,804
EXPENDITURES					
Current:					
General Government					
Community:					
Development				2,051,137	8,000
Public Works & Engineering	1,619,560		603,919		
Police					
Capital outlay	16,053	29,749			
Debt Service:					
Principal retirement					
Interest and fiscal charges					
Total Expenditures	1,635,613	29,749	603,919	2,051,137	8,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	249,292	356,064	270,131	(477,923)	761,804
OTHER FINANCING SOURCES (USES)					
Transfers in	745,420		37,551	138,129	256,683
Transfers (out)	(165,283)	(160,711)	(51,042)		
Total Other Financing Sources (Uses)	580,137	(160,711)	(13,491)	138,129	256,683
NET CHANGE IN FUND BALANCES	829,429	195,353	256,640	(339,794)	1,018,487
Fund balances (deficits) at beginning of year, as previously reported	1,443,416	490,448	148,062	394,623	4,467,408
Adjustment - changes from major fund to nonmajor fund					
Fund balances (deficits) at beginning of year, as adjusted	1,443,416	490,448	148,062	394,623	4,467,408
FUND BALANCES AT END OF YEAR	\$2,272,845	\$685,801	\$404,702	\$54,829	\$5,485,895

SPECIAL REVENUE FUNDS

Asset Seizures	Paratransit	Street Lighting and Landscaping	HCD Grant	Measure K	San Francisco Bay Water Quality Improvement
		\$856,912		\$1,036,165	
	\$375,268	10,000			\$11,251
\$165 1,412	42,816	8,103 20,000	\$8,066		84
1,577	418,084	895,015	8,066	1,036,165	11,335
		12,813		1,872,433	
	329,966	1,794,630			
		16,053			
	329,966	1,823,496		1,872,433	
1,577	88,118	(928,481)	8,066	(836,268)	11,335
		943,771 (63,085)		836,268	
		880,686		836,268	
1,577	88,118	(47,795)	8,066		11,335
7,437	742,375	201,698	141,270		
7,437	742,375	201,698	141,270		
\$9,014	\$830,493	\$153,903	\$149,336		\$11,335

(Continued)

CITY OF SAN PABLO
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	DEBT SERVICE FUNDS		CAPITAL PROJECT FUND	
	2018 JPFA Lease Revenue Bonds	2022 JPFA Lease Revenue Bonds	2015 JPFA Lease Revenue Bonds	Total Nonmajor Governmental Funds
REVENUES				
Property taxes				\$856,912
Sales tax				1,755,445
Other tax				590,970
Licenses and permits				431,003
Intergovernmental				2,639,785
Charges for services				1,135,609
Use of money and property	\$2,936	\$653,255	\$603	1,073,884
Miscellaneous				31,214
Total Revenues	2,936	653,255	603	8,514,822
EXPENDITURES				
Current:				
General Government				1,885,246
Community:				
Development				2,389,103
Public Works & Engineering				4,018,109
Police				
Capital outlay				61,855
Debt Service:				
Principal retirement	270,000	630,000		900,000
Interest and fiscal charges	537,000	1,146,910	137,169	1,821,079
Total Expenditures	807,000	1,776,910	137,169	11,075,392
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(804,064)	(1,123,655)	(136,566)	(2,560,570)
OTHER FINANCING SOURCES (USES)				
Transfers in	807,000	1,776,900	137,169	5,678,891
Transfers (out)		(28,037,899)		(28,478,020)
Total Other Financing Sources (Uses)	807,000	(26,260,999)	137,169	(22,799,129)
NET CHANGE IN FUND BALANCES	2,936	(27,384,654)	603	(25,359,699)
Fund balances (deficits) at beginning of year, as previously reported	2,787		3,754	8,043,278
Adjustment - changes from major fund to nonmajor fund		27,398,538		27,398,538
Fund balances (deficits) at beginning of year, as adjusted	2,787	27,398,538	3,754	35,441,816
FUND BALANCES AT END OF YEAR	\$5,723	\$13,884	\$4,357	\$10,082,117



CITY^{OF} SAN PABLO

City of New Directions

CITY OF SAN PABLO
BUDGETED NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

SPECIAL REVENUE FUNDS					
	GAS TAX			PUBLIC SAFETY	
	Budget	Actual	Variance Positive (Negative)	Budget	Variance Positive (Negative)
REVENUES					
Property taxes					
Sales tax				\$160,711	\$156,206
Other tax					(\$4,505)
Licenses and permits					
Intergovernmental	\$1,629,475	\$1,783,015	\$153,540		194,663
Charges for services					194,663
Use of money and property	25,000	101,890	76,890		34,944
Miscellaneous					34,944
Total Revenues	1,654,475	1,884,905	230,430	160,711	385,813
EXPENDITURES					
Current:					
General Government					
Community:					
Development					
Public Works & Engineering	1,350,136	1,619,560	(269,424)		
Police				120,000	120,000
Capital outlay	22,660	16,053	6,607	29,749	29,749
Total Expenditures	1,372,796	1,635,613	(262,817)	149,749	29,749
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	281,679	249,292	(32,387)	10,962	356,064
OTHER FINANCING SOURCES (USES)					
Transfers in	540,311	745,420	205,109		
Transfers (out)	(100,000)	(165,283)	(65,283)	(160,711)	(160,711)
Total Other Financing Sources (Uses)	440,311	580,137	139,826	(160,711)	(160,711)
NET CHANGE IN FUND BALANCES	\$721,990	829,429	\$107,439	(\$149,749)	195,353
Fund balances at beginning of year		1,443,416			490,448
FUND BALANCES AT END OF YEAR		\$2,272,845			\$685,801

SPECIAL REVENUE FUNDS

ENVIRONMENTAL SERVICES			DEVELOPMENT SERVICES			MEASURE C / J		
Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)	Budget	Actual	Variance Positive (Negative)
	\$590,970	\$590,970				\$475,000	\$563,074	\$88,074
\$450,000	265,588	(184,412)	\$375,000	\$431,003	\$56,003			
	14,292	14,292	757,500	1,135,609	378,109			
	3,200	3,200	450,000	6,602	(443,398)	25,000	206,730	181,730
450,000	874,050	424,050	1,582,500	1,573,214	(9,286)	500,000	769,804	269,804
696,350	603,919	92,431	2,433,495	2,051,137	382,358		8,000	(8,000)
696,350	603,919	92,431	2,433,495	2,051,137	382,358		8,000	(8,000)
(246,350)	270,131	516,481	(850,995)	(477,923)	373,072	500,000	761,804	261,804
200,776 (51,042)	37,551 (51,042)	(163,225)	738,129	138,129	(600,000)	256,683	256,683	
149,734	(13,491)	(163,225)	738,129	138,129	(600,000)	256,683	256,683	
(\$96,616)	256,640	\$353,256	(\$112,866)	(339,794)	(\$226,928)	\$756,683	1,018,487	\$261,804
	148,062			394,623			4,467,408	
	\$404,702			\$54,829			\$5,485,895	

(Continued)

CITY OF SAN PABLO
BUDGETED NON-MAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2025

SPECIAL REVENUE FUNDS					
	ASSET SEIZURES			PARATRANSIT	
	Budget	Actual	Variance Positive (Negative)	Budget	Variance Positive (Negative)
REVENUES					
Property taxes					
Sales tax					
Other tax					
Licenses and permits					
Intergovernmental				\$350,000	\$375,268
Charges for services					\$25,268
Use of money and property		\$165	\$165	8,000	42,816
Miscellaneous		1,412	1,412		34,816
Total Revenues		1,577	1,577	358,000	418,084
EXPENDITURES					
Current:					
General Government					
Community:					
Development				497,901	329,966
Public Works & Engineering					167,935
Police					
Capital outlay					
Total Expenditures				497,901	329,966
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES		1,577	1,577	(139,901)	88,118
OTHER FINANCING SOURCES (USES)					
Transfers in					
Transfers (out)					
Total Other Financing Sources (Uses)					
NET CHANGE IN FUND BALANCES		1,577	\$1,577	(\$139,901)	88,118
Fund balances at beginning of year		7,437			742,375
FUND BALANCES AT END OF YEAR		\$9,014			\$830,493

SPECIAL REVENUE FUNDS

<u>STREET LIGHTING AND LANDSCAPING</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
\$855,700	\$856,912	\$1,212
	10,000	10,000
	8,103	8,103
	20,000	20,000
<u>855,700</u>	<u>895,015</u>	<u>39,315</u>
11,220	12,813	(1,593)
2,060,791	1,794,630	266,161
10,905		10,905
<u>63,585</u>	<u>16,053</u>	<u>47,532</u>
<u>2,146,501</u>	<u>1,823,496</u>	<u>323,005</u>
<u>(1,290,801)</u>	<u>(928,481)</u>	<u>362,320</u>
1,031,497	943,771	(87,726)
	<u>(63,085)</u>	<u>(63,085)</u>
<u>1,031,497</u>	<u>880,686</u>	<u>(150,811)</u>
<u>(\$259,304)</u>	<u>(47,795)</u>	<u>\$211,509</u>
	<u>201,698</u>	
	<u>\$153,903</u>	



CITY^{OF} SAN PABLO

City of New Directions

CUSTODIAL FUNDS

GASB Statement 34 requires that Custodial Funds be presented separately from the Government-wide and Fund financial statements.

Custodial Funds account for assets held by the City as an agent for individuals, governmental entities and non-public organizations.

COMMUNITY ORGANIZATIONS AND ACTIVITIES

This fund accounts for deposits held as an agent for community organizations and activities.

WEST CONTRA COSTA TRANSPORTATION ADVISORY COMMITTEE

This fund accounts for assets belonging to the West Contra Costa Transportation Advisory Committee held as an agent by the City, which maintains the Committee's books and accounts.

CITY OF SAN PABLO
FIDUCIARY CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2025

	Community Organizations and Activities	West Contra Costa Transportation Advisory Committee	Total
Assets:			
Restricted cash and investments	\$961,128	\$17,295,586	\$18,256,714
Due from other governments	<u> </u>	<u>47,451</u>	<u>47,451</u>
Total Assets	<u>961,128</u>	<u>17,343,037</u>	<u>18,304,165</u>
Liabilities:			
Accounts payable	10,396	69,977	80,373
Unearned revenue		40,001	40,001
Deposits payable	<u>12,822</u>	<u> </u>	<u>12,822</u>
Total Liabilities	<u>23,218</u>	<u>109,978</u>	<u>133,196</u>
Net Position:			
Restricted for:			
Held for other entities	<u>937,910</u>	<u>17,233,059</u>	<u>18,170,969</u>
Total Net Position	<u><u>\$937,910</u></u>	<u><u>\$17,233,059</u></u>	<u><u>\$18,170,969</u></u>

CITY OF SAN PABLO
FIDUCIARY CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	Community Organizations and Activities	West Contra Costa Transportation Advisory Committee	Total
Additions:			
Bingo revenues	\$172,615		\$172,615
Member contributions		\$600,461	600,461
Charges for services	30,607	1,042,599	1,073,206
Interest and other	39,680	1,424,488	1,464,168
Total Additions	<u>242,902</u>	<u>3,067,548</u>	<u>3,310,450</u>
Deductions:			
Personnel-related		940,984	940,984
Professional services		376,718	376,718
Program-related	193,534	462,659	656,193
Total Deductions	<u>193,534</u>	<u>1,780,361</u>	<u>1,973,895</u>
Change in net position	49,368	1,287,187	1,336,555
Net Position - Beginning	<u>888,542</u>	<u>15,945,872</u>	<u>16,834,414</u>
Net Position - Ending	<u><u>\$937,910</u></u>	<u><u>\$17,233,059</u></u>	<u><u>\$18,170,969</u></u>



CITY^{OF} SAN PABLO

City of New Directions

STATISTICAL SECTION

This part of the City's Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and wellbeing have changed over time:

1. Net Position by Component
2. Changes in Net Position
3. Fund Balances of Governmental Funds
4. Changes in Fund Balance of Governmental Funds

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax:

1. Assessed and Estimated Actual Value of Taxable Property
2. Property Tax Rates, All Overlapping Governments
3. Principal Property Taxpayers
4. Property Tax Levies and Collections

Debt Capacity

These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future:

1. Ratio of Outstanding Debt by Type
2. Computation of Direct and Overlapping Debt
3. Computation of Legal Bonded Debt Margin
4. Bonded Debt Pledged Revenue Coverage, Redevelopment Agency Tax Allocation Bonds
5. Continuing Disclosure Requirements - Debt Service Coverage Schedule

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place:

1. Demographic and Economic Statistics
2. Principal Employers

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs:

1. Full-Time Equivalent City Government Employees by Function
2. Operating Indicators by Function/Program
3. Capital Asset Statistics by Function/Program

Sources

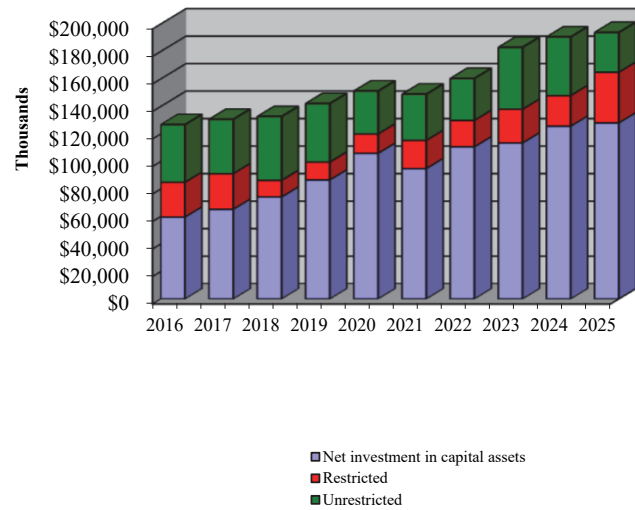
Unless otherwise noted, the information in these schedules is derived from the Annual Financial Reports for the relevant year.



CITY^{OF} SAN PABLO

City of New Directions

CITY OF SAN PABLO
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental activities										
Net investment in capital assets	\$59,552,820	\$65,203,760	\$74,150,591	\$86,551,977	\$105,886,032	\$94,823,104	\$110,624,020	\$113,417,146	\$125,612,534	\$128,034,378
Restricted	25,307,852	25,912,314	12,096,519	13,029,241	14,094,165	20,513,642	19,239,898	24,542,022	22,300,236	36,820,927
Unrestricted	41,969,726	39,526,263	46,421,552	42,547,901	31,228,713	33,595,353	30,488,187	45,070,317	42,621,032	28,954,622
Total governmental activities net position	<u>\$126,830,398</u>	<u>\$130,642,337</u>	<u>\$132,668,662</u>	<u>\$142,129,119</u>	<u>\$151,208,910</u>	<u>\$148,932,099</u>	<u>\$160,352,105</u>	<u>\$183,029,485</u>	<u>\$190,533,802</u>	<u>\$193,809,927</u>

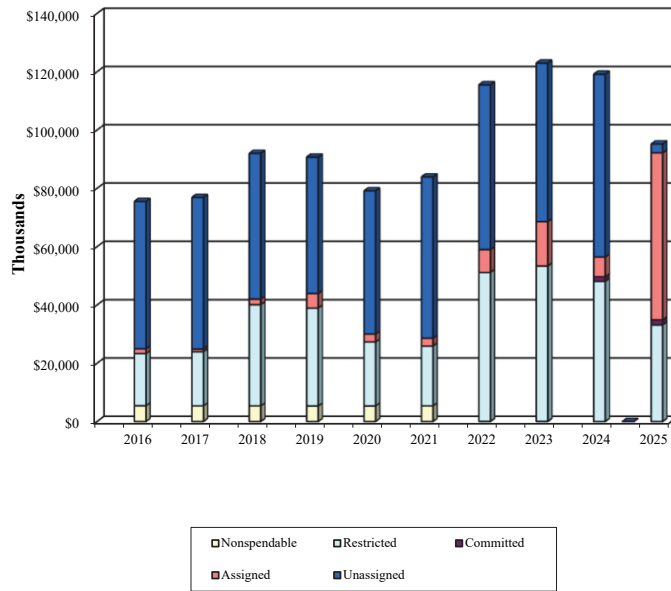
CITY OF SAN PABLO
Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2016	2017	2018	2019
Expenses				
Governmental Activities:				
General Government	\$10,749,217	\$11,105,576	\$10,840,251	\$12,006,415
Community Services	1,613,344	333,076	256,371	311,538
Community Development	1,351,207	4,332,370	4,961,457	5,886,370
Housing	23,000	17,793	23,810	28,930
Public Works & Engineering	7,253,853	7,970,136	7,784,816	8,622,447
Police	13,239,813	17,438,358	18,525,592	20,525,816
Interest and fiscal charges	1,035,279	925,564	1,331,646	1,558,865
Total Governmental Activities Expenses	35,265,713	42,122,873	43,723,943	48,940,381
Program Revenues				
Governmental Activities:				
Charges for Services:				
General Government	435,262	1,119,770	524,488	
Community Services	334,418	127,698	52,022	40,957
Community Development	504,454	1,154,979	1,216,911	1,133,536
Public Works & Engineering	187,923	138,126	246,289	645,376
Police	569,627	522,678	1,009,555	900,657
Operating Grants and Contributions	1,679,873	929,109	1,271,647	2,325,867
Capital Grants and Contributions	4,562,945	1,438,055	1,955,492	7,096,432
Total Government Activities Program Revenues	8,274,502	5,430,415	6,276,404	12,142,825
Net (Expense)/Revenue				
Governmental Activities	(26,991,211)	(36,692,458)	(37,447,539)	(36,797,556)
General Revenues and Other				
Changes in Net Position				
Governmental Activities:				
Taxes:				
Property Taxes	1,562,739	2,011,222	2,442,226	2,943,210
Sales Taxes	4,168,439	4,601,301	4,293,283	3,854,079
In-Lieu Sales Tax	406,799			
Utility Users Tax	2,572,145	2,686,980	2,650,707	2,548,455
Transient Occupancy Taxes	523,213	523,513	565,474	636,322
Franchise Taxes	790,828	935,005	900,299	947,557
Payment in Lieu of taxes	1,902,362	1,940,410	1,979,218	2,018,802
Casino contract revenues	22,986,063	24,213,462	26,197,153	27,735,698
Other Taxes (a)	157,190	82,602	87,911	83,611
Intergovernmental unrestricted:				
Motor Vehicle In-Lieu Fees	2,158,330	2,317,615	2,487,919	2,666,964
Use of Money and Property	865,048	190,354	849,714	2,404,371
Gain on Sale of Property				
Miscellaneous	705,407	1,001,933	834,155	418,944
Extraordinary items - assets transferred to/liabilities assumed from EDC				
Total Governmental Activities	38,798,563	40,504,397	43,288,059	46,258,013
Change in Net Position after Special Item				
Governmental Activities	\$11,807,352	\$3,811,939	\$5,840,520	\$9,460,457

(a) Includes business licenses previously included in Other Taxes.

Fiscal Year Ended June 30,					
2020	2021	2022	2023	2024	2025
\$16,802,527	\$16,770,379	\$16,172,199	\$18,311,064	\$19,629,548	\$21,305,280
3,368,316	2,669,889	2,478,905	2,239,499	3,203,879	3,426,821
2,388,458	8,883,785	5,276,529	2,932,229	3,229,935	3,469,323
83,482	92,370	117,624	1,595,272	168,641	302,204
7,392,827	7,043,052	7,972,673	11,212,044	9,881,466	11,489,960
22,166,487	22,209,621	23,239,924	15,993,438	25,412,899	24,672,749
1,162,515	1,150,307	3,928,465	2,168,730	2,138,710	2,104,825
53,364,612	58,819,403	59,186,319	54,452,276	63,665,078	66,771,162
236,032	404,002	252,246	242,439	294,224	497,087
41,665		20,035	46,059	189,865	189,111
1,161,264	845,607	1,361,181	1,674,951	1,354,077	1,355,220
277,611	191,144	846,732	902,750		3,200
695,885	819,362	1,070,929	785,117	836,811	713,633
3,227,455	2,460,329	6,883,452	6,910,861	3,194,263	3,315,224
2,483,913	1,070,768	7,428,316	9,804,818	6,170,774	5,481,703
8,123,825	5,791,212	17,862,891	20,366,995	12,040,014	11,555,178
(45,240,787)	(53,028,191)	(41,323,428)	(34,085,281)	(51,625,064)	(55,215,984)
3,354,755	2,410,402	2,750,176	3,210,634	3,241,372	3,594,629
4,119,326	4,801,115	5,049,824	5,892,559	6,035,256	5,989,797
2,532,147	2,731,594	2,864,920	3,053,827	3,260,238	3,412,793
235,597	666,643	569,390	552,757	529,220	586,535
901,680	927,262	979,688	661,596	598,519	421,403
2,059,177	2,100,360	2,142,368	2,185,215	2,228,919	2,273,498
21,735,943	26,811,866	29,966,698	30,558,431	30,701,521	31,295,008
116,591	123,084	87,679	46,499	62,236	48,528
2,844,696	2,994,786	3,126,924	3,378,602	3,529,543	3,670,938
2,813,630	378,818	262,365	3,933,938	5,778,614	5,553,865
	4,198,761	9,061	2,867,738		
620,873	2,606,689	4,934,341	420,865	3,163,943	1,645,115
12,540,358					
53,874,773	50,751,380	52,743,434	56,762,661	59,129,381	58,492,109
\$8,633,986	(\$2,276,811)	\$11,420,006	\$22,677,380	\$7,504,317	\$3,276,125

CITY OF SAN PABLO
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	\$5,384,995	\$5,367,811	\$5,341,934	\$5,318,053	\$5,336,415	\$5,347,633	\$12,825	\$61,742	\$817	\$9,673
Restricted						1,000,000	3,753,733	6,156,109	1,741,877	1,301,528
Assigned	1,315,623	895,605	1,924,937	5,018,720	2,705,823	2,705,823	7,825,000	15,248,058	6,783,923	57,300,965
Committed								1,440,600	1,571,839	1,728,728
Unassigned	50,715,535	54,246,048	50,765,118	50,750,360	49,537,936	55,326,474	56,568,821	54,372,610	64,747,412	3,006,374
Total General Fund	<u>\$57,416,153</u>	<u>\$60,509,464</u>	<u>\$58,031,989</u>	<u>\$61,087,133</u>	<u>\$57,580,174</u>	<u>\$64,379,930</u>	<u>\$68,160,379</u>	<u>\$77,279,119</u>	<u>\$74,845,868</u>	<u>\$63,347,268</u> (a)
All Other Governmental Funds										
Restricted	\$17,900,895	\$18,551,388	\$34,725,598	\$33,584,302	\$21,940,445	\$19,513,642	\$47,370,557	\$47,109,436	\$46,311,246	\$31,815,655
Assigned	300,282									
Unassigned	(113,266)	(2,192,718)	(782,655)	(3,973,966)	(399,857)		(34,044)	(2,000)	(2,011,402)	
Total all other governmental funds	<u>\$18,087,911</u>	<u>\$16,358,670</u>	<u>\$33,942,943</u>	<u>\$29,610,336</u>	<u>\$21,540,588</u>	<u>\$19,513,642</u>	<u>\$47,336,513</u>	<u>\$47,107,436</u>	<u>\$44,299,844</u>	<u>\$31,815,655</u> (a)

(a) The change in total fund balance for the General Fund and other governmental funds is explained in the Management's Discussion & Analysis.



CITY^{OF} SAN PABLO

City of New Directions

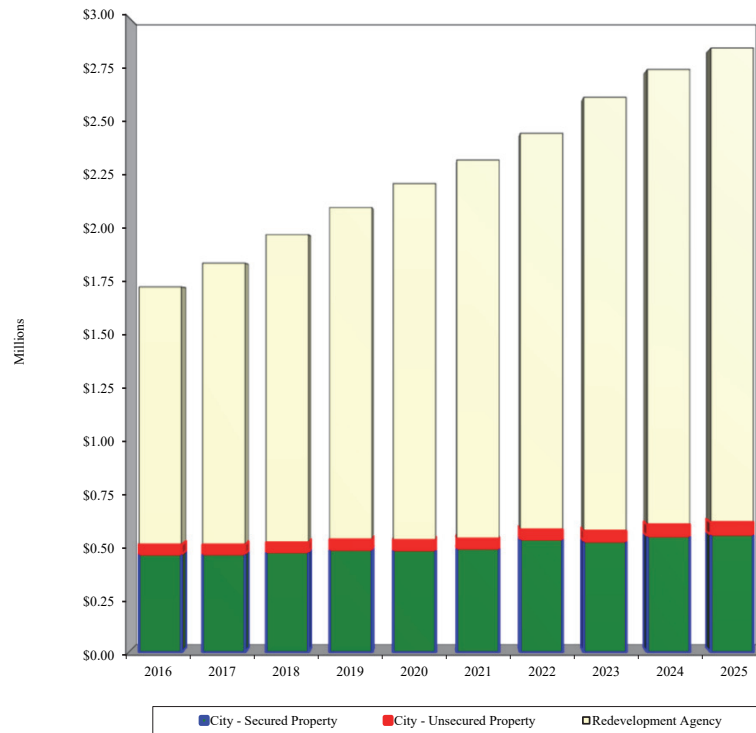
CITY OF SAN PABLO
Changes in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	Fiscal Year Ended June 30,			
	2016	2017	2018	2019
Revenues				
Property taxes	\$1,562,739	\$1,716,156	\$2,063,312	\$2,616,083
Sales taxes	5,019,746	5,002,384	4,722,680	4,307,705
In-lieu sales tax	406,799			
Utility users tax	2,572,145	2,686,980	2,650,707	2,548,455
Casino contract revenues	22,665,705	23,876,317	25,826,897	27,365,635
Other taxes	3,334,876	3,474,030	3,532,902	3,686,292
Licenses and permits	320,358	337,145	370,256	370,063
Fines and forfeits	253,290	242,120	202,854	274,696
Intergovernmental	7,946,402	4,936,968	6,032,257	11,549,795
Charges for services	1,347,066	1,547,551	2,053,387	1,909,493
Use of money and property	1,303,736	1,269,461	1,279,434	3,705,125
Miscellaneous	296,132	881,219	968,047	723,384
Total Revenues	47,028,994	45,970,331	49,702,733	59,056,726
Expenditures				
Current:				
General government	10,812,295	10,629,175	10,446,232	11,557,521
Community Services	1,490,995	73,015		72,048
Community Development	1,417,014	4,203,880	4,868,887	5,753,056
Housing	23,000	17,793	23,810	28,930
Public Works & Engineering	3,360,427	4,064,962	4,618,334	4,130,144
Police	13,753,176	14,927,935	16,028,684	18,127,752
Capital outlay	4,215,533	9,598,715	13,758,852	18,621,834
Debt service:				
Principal repayment	354,982	470,234	1,480,988	971,063
Interest and fiscal charges	737,339	620,552	1,019,327	1,238,996
Total Expenditures	36,164,761	44,606,261	52,245,114	60,501,344
Excess (deficiency) of revenues over (under) expenditures	10,864,233	1,364,070	(2,542,381)	(1,444,618)
Other Financing Sources (Uses)				
Transfers in	5,721,373	11,860,143	15,548,139	17,446,437
Transfers (out)	(5,721,373)	(11,860,143)	(15,548,139)	(17,446,437)
Proceeds or gain from sale of property	218,584			
Leases			2,491,334	
Issuance of debt			15,325,000	
Total Other Financing Sources (Uses)	218,584		17,816,334	
Special and Extraordinary Items				
Assets transferred to Housing Successor				
Assets assumed by City from EDC				
Total Special and Extraordinary Items				
Change in Fund Balance	\$11,082,817	\$1,364,070	\$15,273,953	(\$1,444,618)
Debt service as a percentage of noncapital expenditures	3.4%	3.1%	6.6%	5.2%

Fiscal Year Ended June 30,

2020	2021	2022	2023	2024	2025
\$2,375,632	\$2,094,996	\$2,417,901	\$2,567,573	\$2,576,354	\$2,733,072
4,598,308	5,264,058	5,554,432	6,471,199	6,570,425	6,552,871
2,532,147	2,731,594	2,864,920	3,053,827	3,260,238	3,412,793
21,345,016	26,442,053	29,564,500	30,144,568	30,256,972	30,839,005
3,313,045	3,817,349	3,779,125	3,446,067	3,566,576	3,920,934
390,927	369,813	402,198	383,863	422,049	431,003
274,605	230,215	288,531	270,439	209,026	152,321
8,919,794	8,438,419	18,130,170	21,039,836	12,365,083	11,987,326
1,607,626	1,455,496	1,974,157	1,879,222	1,862,568	1,920,267
4,131,811	1,356,725	1,338,354	3,533,053	7,373,328	6,484,987
520,519	4,528,879	4,779,682	3,069,044	3,154,378	1,612,164
50,009,430	56,729,597	71,093,970	75,858,691	71,616,997	70,046,743
14,432,447	15,126,284	14,819,312	17,970,320	18,788,266	19,898,750
3,244,089	2,521,481	2,334,965	2,580,077	3,129,461	3,342,765
1,645,169	1,688,066	1,781,014	2,091,548	2,452,801	2,389,103
83,482	92,370	117,624	1,595,272	168,641	302,204
4,303,635	4,710,959	4,862,452	5,209,504	5,681,724	7,630,758
18,663,853	19,305,127	20,303,996	22,127,439	24,057,735	23,178,618
17,587,385	6,187,747	9,571,186	12,024,575	19,363,495	34,062,620
909,367	1,174,446	10,775,013	1,082,459	957,903	1,000,785
1,162,515	1,150,307	3,648,306	2,287,834	2,257,814	2,223,929
62,031,942	51,956,787	68,213,868	66,969,028	76,857,840	94,029,532
(12,022,512)	4,772,810	2,880,102	8,889,663	(5,240,843)	(23,982,789)
30,503,098	13,502,244	20,775,175	11,573,220	16,617,112	46,478,717
(30,503,098)	(13,502,244)	(20,775,175)	(11,573,220)	(16,617,112)	(46,478,717)
		9,110			
		34,043,108			
		34,052,218			
		(5,329,000)			
		(5,329,000)			
(\$12,022,512)	\$4,772,810	\$31,603,320	\$8,889,663	(\$5,240,843)	(\$23,982,789)
4.6%	5.1%	24.5%	6.0%	5.6%	5.4%

**CITY OF SAN PABLO
ASSESSED AND ESTIMATED ACTUAL
VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

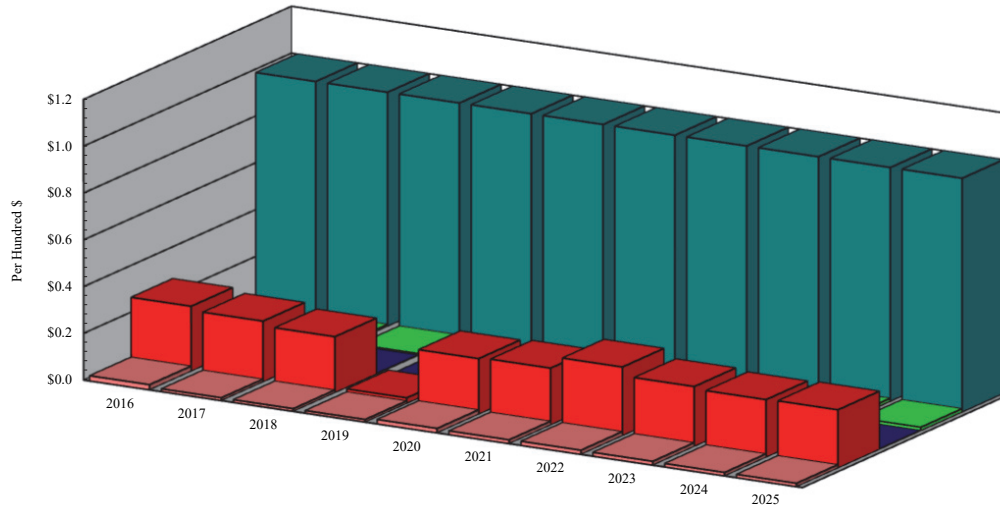


Fiscal Year	Value of City Property Subject to Local Tax Rate			Value of Redevelopment Agency Property Subject to Local Tax Rate			Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Secured Property	Unsecured Property	Total	Tenth Township	Legacy	Total			
2016	\$463,757,740	\$46,435,464	\$510,193,204	\$1,071,145,726	\$146,395,899	\$1,217,541,625	\$1,727,734,829	\$1,727,734,829	0.108%
2017	464,841,204	45,076,140	509,917,344	1,161,517,848	168,678,121	1,330,195,969	1,840,113,313	1,840,113,313	0.108%
2018	474,524,495	45,161,702	519,686,197	1,260,975,983	193,665,594	1,454,641,577	1,974,327,774	1,974,327,774	0.108%
2019	485,479,027	48,519,738	533,998,765	1,353,539,647	214,666,027	1,568,205,674	2,102,204,439	2,102,204,439	0.107%
2020	483,615,982	47,196,414	530,812,396	1,446,048,102	237,976,780	1,684,024,882	2,214,837,278	2,214,837,278	0.107%
2021	491,998,972	45,595,290	537,594,262	1,534,108,689	254,278,937	1,788,387,626	2,325,981,888	2,325,981,888	0.107%
2022	534,812,243	45,789,861	580,602,104	1,602,473,068	268,531,738	1,871,004,806	2,451,606,910	2,451,606,910	0.082%
2023	525,072,620	49,421,972	574,494,592	1,726,594,452	321,020,043	2,047,614,495	2,622,109,087	2,622,109,087	0.082%
2024	549,914,772	54,630,824	604,545,596	1,815,211,753	333,086,917	2,148,298,670	2,752,844,266	2,752,844,266	0.082%
2025	556,886,171	59,320,244	616,206,415	1,883,836,951	353,802,149	2,237,639,100	2,853,845,515	2,853,845,515	0.082%

Source: Contra Costa County Auditor Controller Office Certificate of Assessed Valuations

- (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 over-rides. 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 SAN PABLO
PROPERTY TAX RATES
ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS**



Direct and Overlapping Rates



Fiscal Year	Basic County Wide Levy (a)	Bay Area Rapid Transit	East Bay Regional Park District	West Contra Costa Unified School District	Community College	Total Direct and Overlapping Rates (b)	City's Share of 1% Levy per Prop 13 (c)	Redevelopment Agency Rate (d)	Total Direct Rate (e)
2016	1.00000	0.00260	0.00670	0.27810	0.02200	1.30940	0.09828	0.00000	0.10805
2017	1.00000	0.00800	0.00320	0.26040	0.01200	1.28360	0.09828	0.00000	0.10792
2018	1.00000	0.00840	0.00210	0.23970	0.01140	1.26160	0.09828	0.00000	0.10755
2019	1.00000	0.00700	0.00210	0.02390	0.01100	1.04400	0.09828	0.00000	0.10735
2020	1.00000	0.01200	0.00940	0.23790	0.01880	1.27810	0.09828	0.00000	0.10738
2021	1.00000	0.01390	0.00140	0.24320	0.01610	1.27460	0.09828	0.00000	0.10724
2022	1.00000	0.00600	0.00200	0.29390	0.01760	1.31950	0.09828	0.00000	0.08190
2023	1.00000	0.01400	0.00580	0.25640	0.01620	1.29240	0.09828	0.00000	0.08210
2024	1.00000	0.01340	0.00570	0.24640	0.01460	1.28010	0.09828	0.00000	0.08219
2025	1.00000	0.01480	0.00130	0.24890	0.01420	1.27920	0.09828	0.00000	0.08234

Source: HdL Coren & Cone, Contra Costa County Assessor

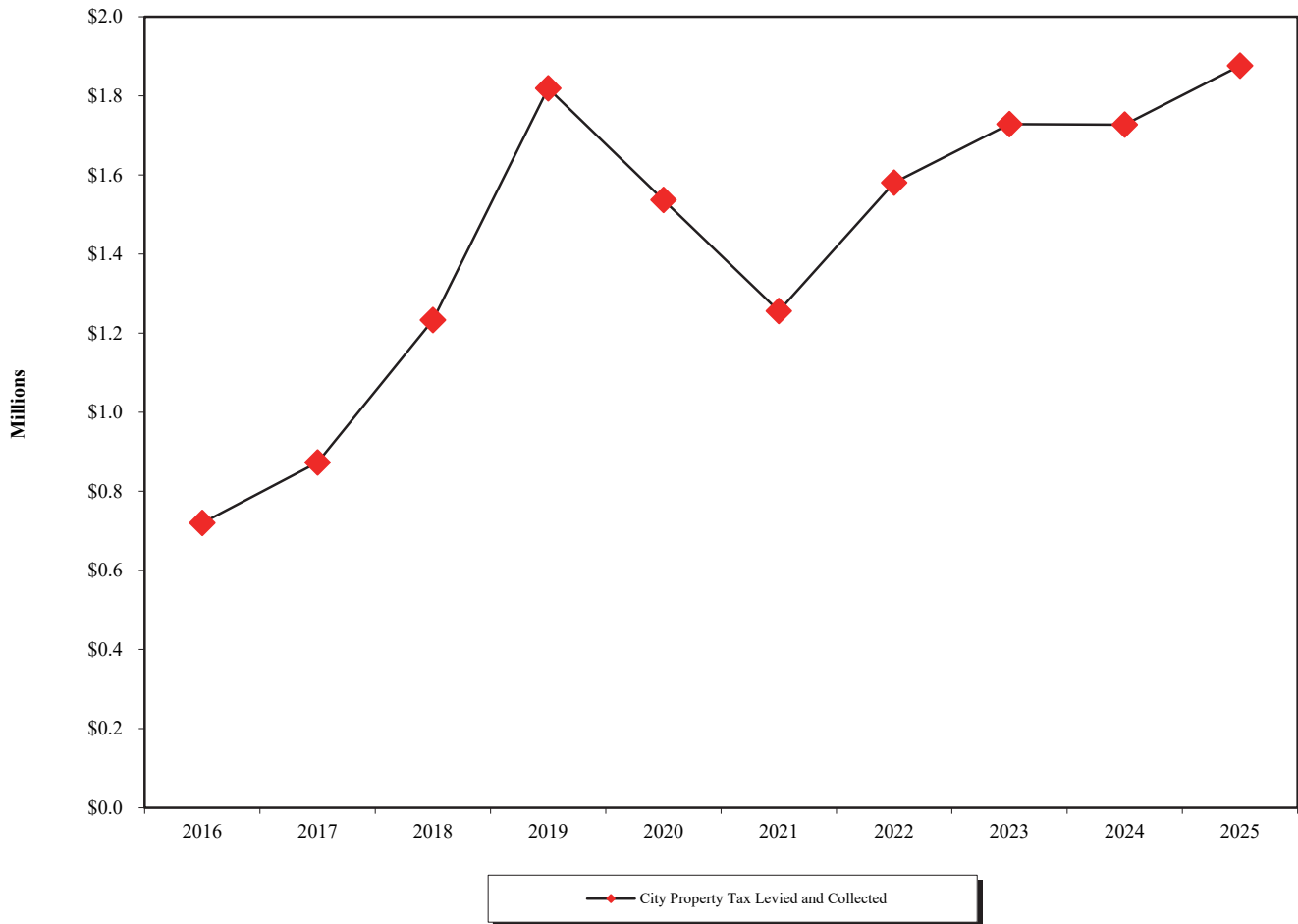
- (a) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the, 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.
- (b) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all City property owners.
- (c) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. ERAF general fund tax shifts may not be included in tax ratio figures.
- (d) Redevelopment Agency (RDA) rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for fiscal year 2013 and years thereafter.
- (e) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/2013. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

CITY OF SAN PABLO
Principal Property Taxpayers
Current Year and Nine Years Ago

Taxpayer	2024-2025			2015-2016		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Save Mart Portfolio Owner NLP	\$40,045,001	1	1.40%			
Lytton Rancheria of CA	33,382,791	2	1.17%			
Gri Princeton LLC	32,946,000	3	1.15%			
Moraga Rd Storage LLC	24,080,597	4	0.84%			
The Marlborough One Family LP	20,958,857	5	0.73%			
CC San Pablo LP	19,234,319	6	0.67%	\$15,046,742	4	0.87%
San Pablo Retail Partners II	18,273,113	7	0.64%	15,350,688	3	0.89%
Menlo Land and Capital XII LLC	14,764,211	8	0.52%			
Stiefvater Orchards LP	14,085,143	9	0.49%			
Public Storage INC	12,758,222	10	0.45%	16,405,198	2	0.95%
Donahue Schriber Realty Group				19,407,152	1	1.12%
3002 Giant Road LLC				14,395,337	5	0.83%
Save Mart Supermarket				13,679,482	6	0.79%
Lucky NoCal Investor LLC				6,671,247	10	0.39%
Gordon Creekside LLC				9,630,483	7	0.56%
CC Home Rentals LLC				7,809,105	9	0.45%
Vale Property LLC				8,196,885	8	0.47%
Subtotal	<u>\$230,528,254</u>		<u>8.1%</u>	<u>\$126,592,319</u>		<u>7.3%</u>
Total Assessed Valuation:						
Fiscal Year 2024-2025	\$2,853,845,515					
Fiscal Year 2015-2016	\$1,727,734,829					

Source: HdL Coren & Cone, Contra Costa County Assessor

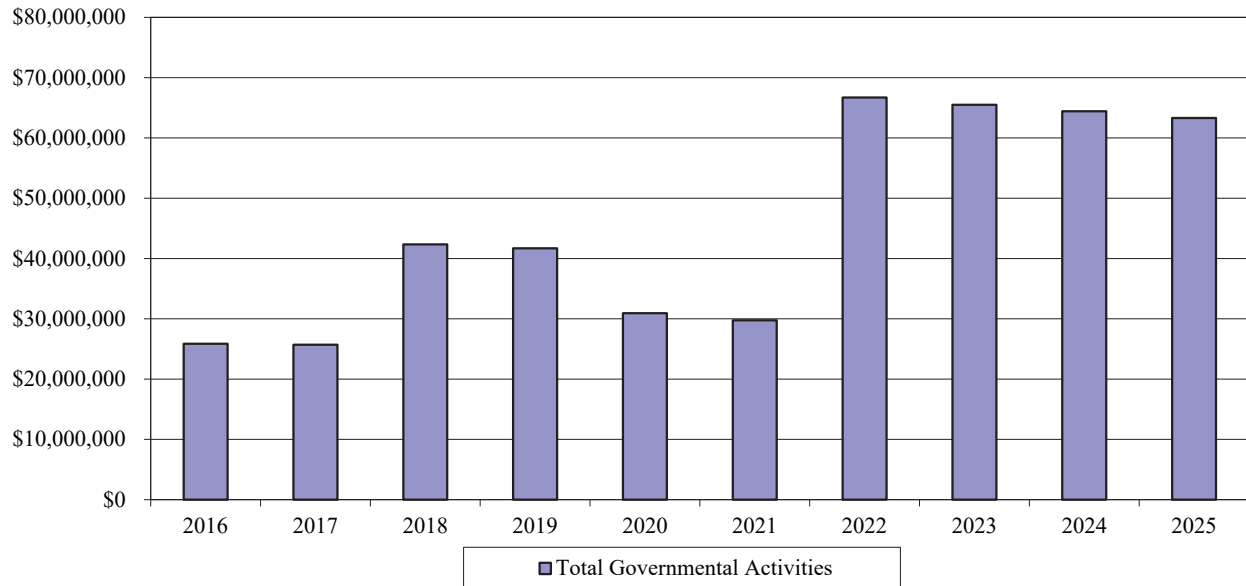
**CITY OF SAN PABLO
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**



Fiscal Year	City Property Tax Levied and Collected (1)	Redevelopment Agency Property Tax Levied and Collected		Total Property Tax Levied and Collected (2)	Percent of Total Tax Collections to Tax Levy
2016	\$719,960	0	(3)	\$719,960	100%
2017	872,985	0	(3)	872,985	100%
2018	1,232,993	0	(3)	1,232,993	100%
2019	1,819,023	0	(3)	1,819,023	100%
2020	1,536,711	0	(3)	1,536,711	100%
2021	1,255,899	0	(3)	1,255,899	100%
2022	1,580,496	0	(3)	1,580,496	100%
2023	1,728,466	0	(3)	1,728,466	100%
2024	1,727,175	0	(3)	1,727,175	100%
2025	1,876,160	0	(3)	1,876,160	100%

- NOTES:
- (1) Excludes Street Lighting and Landscaping, N.P.D.E.S., Oak Park Maintenance District Property Tax and Redevelopment Agency.
 - (2) During fiscal year 1995, the County began providing the City 100% of its tax levy under an agreement which allows the County to keep all interest and delinquency charges collected.
 - (3) The Redevelopment Agency was dissolved on January 31, 2012.

CITY OF SAN PABLO
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years



Fiscal Year	Governmental Activities				Total Governmental Activities	Percentage of Personal Income (a)	Per Capita (a)
	Tax Allocation Bonds	SERAF Loan	Leases and Loans	Lease Revenue Bonds			
2016	0 (b)	0 (b)	\$10,265,708	\$15,600,000	\$25,865,708	5.19%	839
2017	0 (b)	0 (b)	10,410,486	15,290,000	25,700,486	5.16%	828
2018	0 (b)	0 (b)	12,053,151	30,295,000	42,348,151	8.50%	1,364
2019	0 (b)	0 (b)	11,731,957	29,965,000	41,696,957	7.35%	1,311
2020	0 (b)	0 (b)	1,292,438	29,630,000	30,922,438	5.22%	984
2021	0 (b)	0 (b)	697,992	29,050,000	29,747,992	4.63%	958
2022	0 (b)	0 (b)	14,274,083	52,433,481	66,707,564	9.62%	2,117
2023	0 (b)	0 (b)	13,566,624	51,939,377	65,506,001	8.52%	2,093
2024	0 (b)	0 (b)	13,473,721	50,955,273	64,428,994	8.38%	2,058
2025	0 (b)	0 (b)	13,372,936	49,936,169	63,309,105	6.85%	2,009

Sources: City of San Pablo
California Employment Development Department

(a) See Schedule "Demographic and Economic Statistics" for personal income and population data.

(b) The Redevelopment Agency was dissolved as of January 31, 2012 and its debt assumed by a Successor Agency as of February 1, 2012.

CITY OF SAN PABLO
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
JUNE 30, 2025

CITY OF SAN PABLO

2024-25 Assessed Valuation: \$2,574,690,336

	Total Debt 6/30/25	% Applicable (1)	City's Share of Debt 6/30/25
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Bay Area Rapid Transit District	\$2,391,260,000	0.246%	\$ 5,882,500
Contra Costa Community College District	591,875,000	0.924	5,468,925
West Contra Costa Unified School District	1,279,679,975	5.961	76,281,723
West Contra Costa Healthcare District Parcel Tax Obligations	40,155,000	5.465	2,194,471
East Bay Regional Park District	145,930,000	0.383	<u>558,912</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$90,386,531
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Alameda-Contra Costa Transit District Certificates of Participation	\$9,600,000	0.720%	\$ 69,120
Contra Costa County General Fund Obligations	150,845,000	0.921	1,389,282
West Contra Costa Unified School District Certificates of Participation	2,845,000	5.961	169,590
City of San Pablo Lease Revenue Bonds	49,936,169	100.00%	49,936,169
City of San Pablo Lease Liability	13,372,936	100.00%	13,372,936
Contra Costa Mosquito and Vector Control District General Fund Obligations	8,050,000	0.921	<u>74,141</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$65,011,238
Less: Contra Costa County supported obligations			<u>318,987</u>
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$65,330,225
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency to San Pablo Redevelopment Agency):</u>			
Tax Allocation Bonds Refunding Series 2016	\$1,449,949	100. %	\$ 1,449,949
Tax Allocation Bonds Refunding Series 2024	19,260,000	100	<u>19,260,000</u>
TOTAL OVERLAPPING TAX INCREMENT DEBT			\$20,709,949
TOTAL DIRECT DEBT			\$63,309,105
TOTAL GROSS OVERLAPPING DEBT			\$155,716,756
TOTAL NET OVERLAPPING DEBT			\$155,397,769
GROSS COMBINED TOTAL DEBT			\$176,426,705 (2)
NET COMBINED TOTAL DEBT			\$176,107,718

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to 2024-25 Assessed Valuation:

Total Direct and Overlapping Tax and Assessment Debt.....	2.53%
Direct Debt (\$63,309,105).....	2.46%
Gross Combined Total Debt.....	6.85%
Net Total Debt	6.84%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$2,237,639,100):

Overlapping Tax Increment Debt	0.93%
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KD:(\$600)

CITY OF SAN PABLO
COMPUTATION OF LEGAL BONDED DEBT MARGIN
JUNE 30, 2025

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property	<u>\$2,853,845,515</u>
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BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) (a)	<u>\$107,019,207</u>
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AMOUNT OF DEBT SUBJECT TO LIMIT:

Total Bonded Debt	\$63,418,061
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Less Lease Revenue Bonds not subject to limit	<u>17,655,000</u>
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Amount of debt subject to limit	<u>45,763,061</u>
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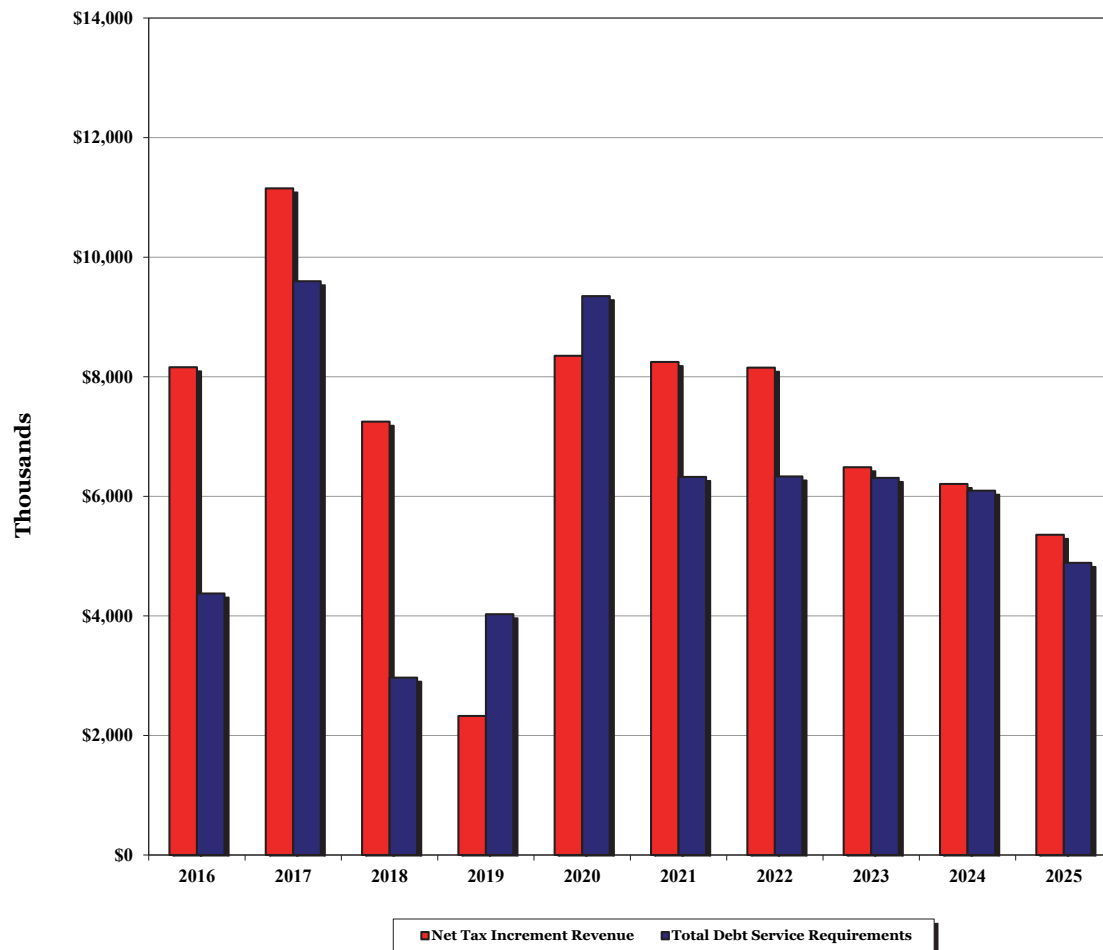
LEGAL BONDED DEBT MARGIN	<u>\$152,782,268</u>
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Fiscal Year	Debt Limit	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2016	\$64,790,056	\$0	\$64,790,056	0.00%
2017	69,004,249	0	69,004,249	0.00%
2018	74,037,292	0	74,037,292	0.00%
2019	78,832,666	0	78,832,666	0.00%
2020	83,056,398	0	83,056,398	0.00%
2021	87,224,321	0	87,224,321	0.00%
2022	91,935,259	33,993,481	125,928,740	26.99%
2023	98,329,091	47,321,001	145,650,092	32.49%
2024	103,231,660	46,503,994	149,735,654	31.06%
2025	107,019,207	45,763,061	152,782,268	29.95%

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.

CITY OF SAN PABLO
BONDED DEBT PLEDGED REVENUE COVERAGE
REDEVELOPMENT AGENCY TAX ALLOCATION BONDS
LAST TEN FISCAL YEARS



Fiscal Year	Redevelopment Agency Property Tax Increments	Less Low and Moderate Income Housing Set-Aside	Net Tax Increment Revenue	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$8,159,295 (b)	0 (a)	\$8,159,295	\$1,525,000	\$2,849,011	\$4,374,011 (c)	1.87 (b)
2017	11,150,519 (b)	0 (a)	11,150,519	6,787,381	2,811,164	9,598,545 (c)	1.16 (b)
2018	7,249,096 (b)	0 (a)	7,249,096	320,000	2,647,300	2,967,300 (c)	2.44 (b)
2019	2,325,842 (b)	0 (a)	2,325,842	1,560,000	2,468,600	4,028,600 (c)	0.58 (b)
2020	8,350,525 (b)	0 (a)	8,350,525	7,005,000	2,344,875	9,349,875 (c)	0.89 (b)
2021	8,247,483 (b)	0 (a)	8,247,483	4,255,000	2,070,500	6,325,500 (c)	1.30 (b)
2022	8,152,914 (b)	0 (a)	8,152,914	4,475,000	1,857,750	6,332,750 (c)	1.29 (b)
2023	6,487,022 (b)	0 (a)	6,487,022	4,675,000	1,634,000	6,309,000 (c)	1.03 (b)
2024	6,207,292 (b)	0 (a)	6,207,292	4,524,430	1,570,820	6,095,250 (c)	1.02 (b)
2025	5,357,029 (b)	0 (a)	5,357,029	3,986,152	901,498	4,887,650 (c)	1.10 (b)

- (a) As part of the dissolution, the Redevelopment Agency is no longer required to make the low and moderate income housing set-aside.
- (b) Beginning in fiscal year 2013, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations, and is required to use other resources on hand to fund debt service prior to using the tax increment received.
- (c) Includes debt service paid by the Successor Agency.

**CITY OF SAN PABLO
DEBT SERVICE COVERAGE SCHEDULE
LAST TEN FISCAL YEARS**

TENTH TOWNSHIP PROJECT AREA

Fiscal Year	Gross Tax Revenues		Housing Set Aside		Pledged Tax Revenues		Debt Service On						Total Debt Service	Debt Service Coverage	
							1999 Bonds	2001 and 2004 Tenth Township Bonds		2006 Bonds	2014 A&B Bonds	2016 Bonds			2024 Successor Refunding Bonds
2016	N/A	(b)	\$0	(b)	N/A	(b)	\$0	\$1,050,812	\$0	\$3,372,250	\$0	\$0	\$4,423,062	(c)	N/A
2017	N/A	(b)	0	(b)	N/A	(b)	0	5,296,795	0	4,301,750	0	0	9,598,545	(c)	N/A
2018	N/A	(b)	0	(b)	N/A	(b)	0	1,922,750	0	5,379,550	0	0	7,302,300	(c)	N/A
2019	N/A	(b)	0	(b)	N/A	(b)	0	882,250	0	3,146,350	0	0	4,028,600	(c)	N/A
2020	N/A	(b)	0	(b)	N/A	(b)	0	3,032,125	0	6,317,750	0	0	9,349,875	(c)	N/A
2021	N/A	(b)	0	(b)	N/A	(b)	0	0	0	6,325,500	0	0	6,325,500	(c)	N/A
2022	N/A	(b)	0	(b)	N/A	(b)	0	0	0	6,332,750	0	0	6,332,750	(c)	N/A
2023	N/A	(b)	0	(b)	N/A	(b)	0	0	0	6,309,000	0	0	6,309,000	(c)	N/A
2024	N/A	(b)	0	(b)	N/A	(b)	0	0	0	5,255,250	840,000	0	6,095,250	(c)	N/A
2025	N/A	(b)	0	(b)	N/A	(b)	0	0	0	0	740,000	4,147,650	4,887,650	(c)	N/A

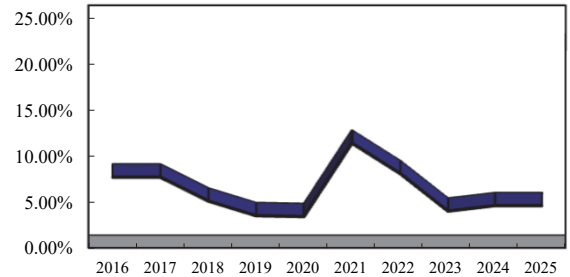
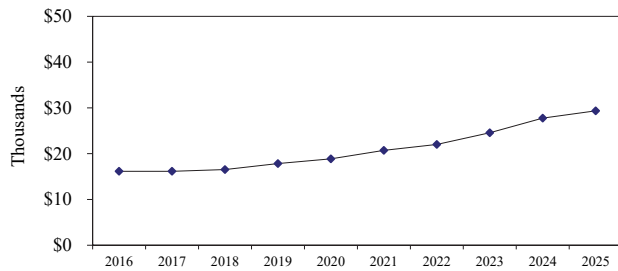
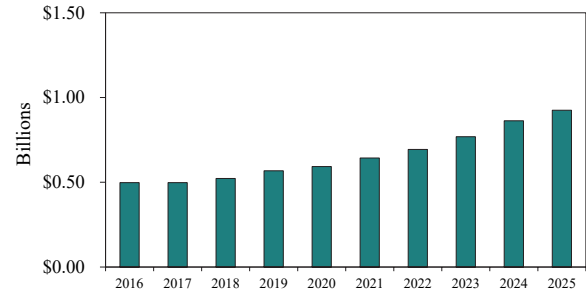
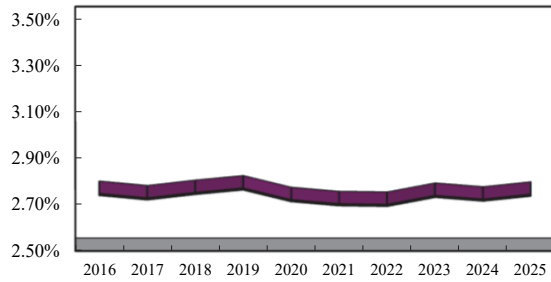
LEGACY PROJECT AREA

Fiscal Year	Gross Tax Revenues		Housing Set Aside		Debt Service on 2004		Debt Service Coverage	
					Available Revenue	Legacy Bonds		
2016	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2017	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2018	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2019	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2020	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2021	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2022	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2023	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2024	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A
2025	N/A	(b)	N/A	(a)	N/A	N/A	(c)	N/A

- (a) As part of the dissolution, the Redevelopment Agency is no longer required to make the low and moderate income housing set-aside.
- (b) For the fiscal years ended 2013 thru 2015, tax increment reported in this table is the amount calculated by the County Auditor-Controller. Under the provisions of the laws dissolving the Redevelopment Agency, the Successor Agency only receives the funds necessary to fulfill its approved obligations. As of 2016, the County Auditor-Controller no longer tracks this information, therefore, it is Not Available.
- (c) Includes debt service paid by the Successor Agency.

Sources: City of San Pablo Financial Statements

CITY OF SAN PABLO DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS



Fiscal Year	City Population	Total Personal Income	Per Capita Personal Income	Unemployment Rate (%)	Contra Costa County Population	City Population % of County
2016	30,829	\$498,050,000	\$16,155	7.7%	1,123,429	2.74%
2017	31,053	498,050,000	16,155	7.7% (a)	1,139,513	2.73%
2018	31,593	522,292,000	16,531	5.1%	1,149,363	2.75%
2019	31,817	567,648,000	17,841	3.5%	1,149,363	2.77%
2020	31,413	592,791,000	18,870	3.4%	1,155,879	2.72%
2021	31,041	643,152,000	20,719	11.4%	1,149,800	2.70%
2022	31,510	693,639,000	22,013	8.1%	1,168,294	2.70%
2023	31,301	768,975,000	24,567	4.0%	1,144,040	2.74%
2024	31,088	862,877,000	27,755	4.6%	1,143,037	2.72%
2025	31,562	924,886,000	29,354	4.6%	1,151,423	2.74%

NOTES: (a) Data not available for fiscal year, therefore data presented is for prior calendar year

Sources: California State Department of Finance
California Employment Development Department

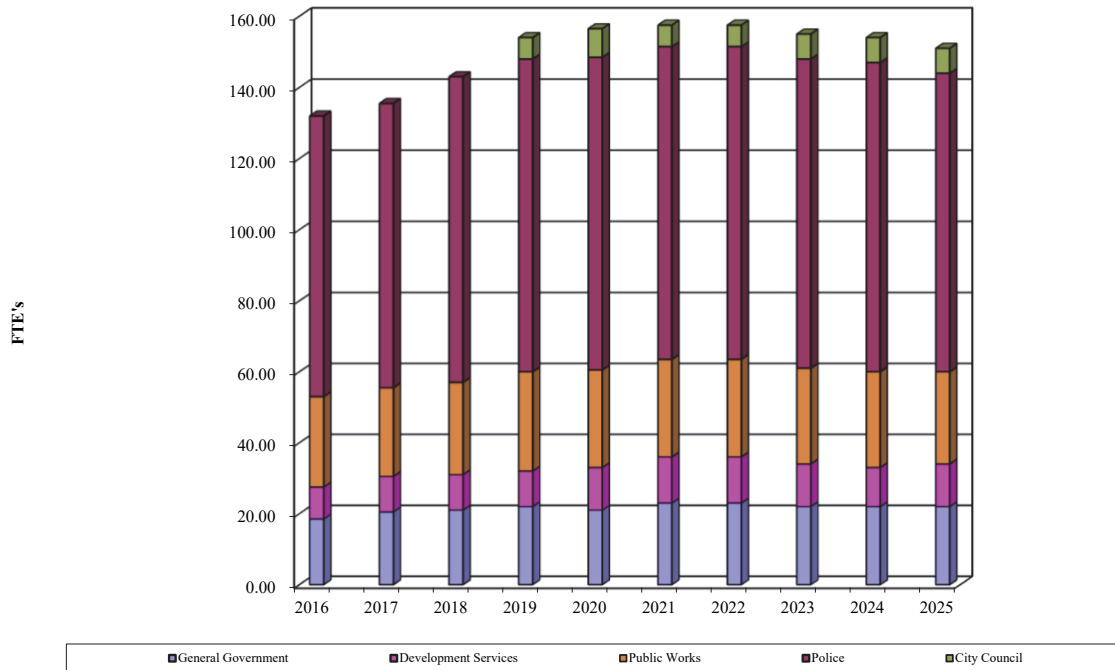
CITY OF SAN PABLO
Principal Employers
Current Year and Nine Years Ago

Employer	2024-2025			2015-2016		
	Number of Employees	Rank	Percentage of Total City Employment	Number of Employees	Rank	Percentage of Total City Employment
Contra Costa College*	542	1	4.0%	585	1	4.1%
San Pablo Casino	402	2	3.0%	500	2	3.5%
West Contra Costa Unified School District	297	3	2.2%			
Las Mantanas Supermarket	180	6	1.3%	91	8	0.6%
Brookside San Pablo Health Center	202	4	1.5%			
Vale Health Care Center	176	7	1.3%	169	5	1.2%
West County Health Center	200	5	1.5%	N/A		
City of San Pablo	164	8	1.2%	182	4	1.3%
San Pablo Health Care and Wellness Center	149	9	1.1%	153	6	1.1%
Creekside Health Care Center	102	10	0.8%	243	3	1.7%
Food Maxx				99	7	0.7%
Raley's				82	9	0.6%
San Pablo Super Market				64	10	0.5%
Subtotal	<u>2,414</u>		<u>18.0%</u>	<u>2,104</u>		<u>14.3%</u>
Total City Day Population	<u>13,400</u>			<u>14,100</u>		

Sources: City of San Pablo Finance Department
California Employment Development Department

*includes part time employees
N/A = not available

CITY OF SAN PABLO
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years



	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General Government	18.50	20.50	21.00	22.00	21.00	23.00	23.00	22.00	22.00	22.00 *
Development Services	9.00	10.00	10.00	10.00	12.00	13.00	13.00	12.00	11.00	12.00 *
Community Services	42.40	40.50	41.30	42.80	42.30	43.30	43.30	43.00	14.00	13.00 *
Public Works	25.50	25.00	26.00	28.00	27.50	27.50	27.50	27.00	27.00	26.00
Police	79.00	80.00	86.00	88.00	88.00	88.00	88.00	87.00	87.00	84.00
Total City	174.40	176.00	184.30	190.80	190.80	194.80	194.80	191.00	161.00	157.00
City Council				6.00	8.00	6.00	6.00	7.00	7.00	7.00
Grand Total				196.80	198.80	200.80	200.80	198.00	168.00	164.00

* Excludes Part-time FTE Count.

CITY OF SAN PABLO
Operating Indicators by Function/Program

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
Police: (calendar year)										
Police calls for Service	28,985	22,981	22,718	30,707	36,947	32,725	30,579	33,011	38,521	37,633
Crime Reports	3,116	3,467	3,961	4,840	4,989	4,000	3,914	4,316	5,313	4,547
Law violations:										
Major crimes: homicides/rape	17	6	10	17	17	18	7	8	9	14
Other major crimes: robbery/larceny/burglary		565	630	558	706	570	184	591	477	563
Arrests	1,862	1,243	1,434	1,847	1,716	1,085	1,316	1,443	2,121	1,843
Traffic collisions	324	234	239	407	437	297	270	230	303	240
Traffic citations	1,813	828	855	2,971	1,315	365	1,351	1,590	906	796
Public Works:										
Street resurfacing (miles)	1.5		1.4	1.4	91.0	0.9	0.0	0.0	6.9	0.0
Potholes repaired (square miles)	2.47	2.89	0.005	0.005	0.005	0.000002	0.000021	0.000026	0.000027	0.000027
Street Sweeping (miles)	2,813	3,336	6,489	6,489	6,025	6,025	6,025	6,025	6,025	6,025
Volume of material removed (cubic yards)	891	1,060	1,185	1,185	1,100.26	1,185	1,185	1,416	900	636
Storm Drains:										
Catch basins cleaned	271	111	292	292	525	414	764	859	567	583
Volume of material removed (cubic yards)	147.95	4.28	57.11	57.11	9.00	20.00	29.00	5.78	43.80	14.67
Community Services:										
Recreation class participants	9,433	9,568	5,128	7,939	1,775	638	2,802	3,373	3,579	2,714
Senior meals served	18,366	16,855	15,800	12,493	41,877	36,982	14,960	11,637	7,649	8,297
Rentals of Maple Hall	298	380	435	809	0	156	346	352	368	418
Rentals - Other Facilities	79	115	5,698	6,313	1,578	1,975	1,451	4,281	4,169	4,538
Education:										
Enrollment:										
Elementary schools (6)	2,697	2,627	2,640	2,526	2,309	2,121	1,941	2,341	1,913	1,874
Middle Schools (1)	999	1,011	997	864	773	648	646	591	579	558
High Schools (1)	400	400	400	1,005	950	1,056	747	1,712	1,624	1,574

Source: Various City Departments

Notes:

N/A denotes information not available.

CITY OF SAN PABLO
Capital Asset Statistics by Function/Program

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function/Program										
Police:										
Police stations	1	1	1	1	1	1	1	1	1	1
Police patrol units	17	14	23	55	21	21	21	25	27	31
Community Resources:										
Miles of streets	49	49	49	49	49	49	49	49	49	49
Street lights	192	192	243	243	243	347	347	347	347	347
Traffic Signals	27	29	29	29	29	29	29	29	29	29
Roadway Landscaping:										
Landscaped median acreage	1	1	1	1	1	1	1	1	1	1
Street trees	840	840	840	860	860	860	860	865	865	865
Community Services:										
City parks	8	8	8	8	8	7	7	7	7	7
City parks acreage	23.2	23.2	23.2	23.2	23.2	19.2	19.2	19.2	19.2	19.2
Playgrounds	5	5	5	5	5	5	5	5	5	6
Event center	0	0	0	0	0	0	0	0	0	0
Historic house	3	3	3	3	3	3	3	3	3	3
City trails	1	1	1	1	1	2	2	2	2	2
City trails miles	1	1	1	1	1	2	2	2	2	2
Community centers	2	2	2	2	2	2	2	2	2	2
Senior centers	2	2	2	2	2	2	2	2	2	2
Baseball/softball diamonds	3	3	3	3	3	2	2	2	2	2
Soccer/football fields	9	9	9	9	9	6	6	6	6	6
Wastewater (1)										
Miles of storm drains	17	17	17	20	17	17	17	17	17	17

Source: Various City Departments

Notes:

(1) Wastewater services are provided by Contra Costa County



CITY^{OF} SAN PABLO

City of New Directions