

# CITY OF PINOLE, CALIFORNIA

Fiscal Year Ended June 30, 2018



## Comprehensive Annual Financial Report

**CITY OF PINOLE  
CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

**Prepared by  
FINANCE DEPARTMENT**

# City of Pinole

## Comprehensive Annual Financial Report

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# **Introductory Section**



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# CITY OF PINOLE

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April 10, 2019

The Honorable Mayor, Members of the City Council  
City Manager and Citizens of the City of Pinole

We are pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Pinole, California for the fiscal year ended June 30, 2018. The City of Pinole is required to annually issue a complete set of financial statements presented in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm.

This report presents the finances of the City of Pinole. Management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material aspects.

Badawi and Associates, a firm of licensed certified public accountants, has audited the City of Pinole's financial statements. The objective of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating overall financial management presentation. Badawi and Associates concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Pinole's financial statements for the year ended June 30, 2018, are fairly presented in conformity with GAAP. Their independent auditor's report is the first component presented in the financial section of this report.

The independent audit of the City's financial statements is part of a broader, federally mandated "Single Audit" designed to meet the needs of federal grantor agencies. The standards governing Single Audit engagements require the auditor to report not only on their fair presentation of the City's financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Reports. A Single Audit Report is not required for the fiscal year ended June 30, 2018 as a result of federal expenditures for the year below the \$750,000 threshold.

Accounting standards require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors report in the financial section of this report.

## Profile of the Government

The City of Pinole was incorporated on June 25, 1903. Pinole is primarily a residential community located in West Contra Costa County, approximately 30 miles northeast of San Francisco and 20 miles north of Oakland along Interstate Highway 80. The City currently has a land area of 5 square miles and a population of 19,236.

The City operates under the Council-Manager form of government, with five Council members (consisting of a mayor and a four-member council) elected on a non-partisan basis. Council members are elected to four-year staggered terms with three council members alternating election with two council members at two-year intervals. The Council appoints the City Manager, City Attorney and City Clerk. Policymaking and legislative authorities are vested in the City Council, who among other things, passes ordinances, adopts the budget, and appoints committees. The City's manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the department directors.

Pinole is a full service city with 100 fulltime and 39 part-time authorized personnel in 2017-18. The City provides public safety (Police and Fire), public services (maintenance of streets and roads), community development (land use, building and housing standards regulation), recreation programs, parks and recreation areas, wastewater utilities, administration and fiscal services.

The financial statements included in the CAFR present the City (the primary government) and its component units if applicable. Component units are legally separate entities for which the primary government is financially accountable. Blended component units, although legally separate entities are, in substance, part of the City's operations and data from these units are combined with data from the City. Discreetly presented component units are reported in a separate column in the basic financial statements to emphasize their separateness from the City. The Successor Agency to the Pinole Redevelopment Agency is not a component unit of the City as was the case with the former Redevelopment Agency, but is accounted for in a Private Purpose Trust Fund in the Fiduciary Funds segment of the financial report.

## Assessing the City's Economic Condition

### Local Economy

The City continues to show improvement in its economy with a strengthening local tax base in both retail sales and real property values. The region has a varied manufacturing, industrial and commercial base, but the City's principle businesses are engaged in merchandising and retail sales. The local unemployment rate decreased to 3.1%, down from 4.9% in 2017. Contra Costa County, which includes Pinole, has an unemployment rate of 3.5%, which is less than the state's average rate of 4.2%.

### Commercial Activity

The vacancy rate for commercial properties within the City's business districts continues to decline with the development of a new shopping center, the opening of a variety of stores, specialty shops and commercial businesses. During this fiscal year, three of the City's top twenty-five retailers did close (Toy's R Us, Orchard Supply Hardware, and Kmart). Staff is working to identify new businesses to occupy space vacated by those businesses.

- *Gateway Shopping Center Project*

The Gateway Shopping Center is an approximately 5.5-acre site located on both the east and west sides of Pinole Valley Road, just north of Interstate Highway 80 and south of Henry Avenue. The site is bordered by Pinole Creek on the west, Henry Avenue on the north, the existing Kaiser Permanente Medical facility on the east, and Interstate 80 and Pinole Valley Lanes on the south.

The Gateway West portion of the project is complete and includes Sprouts Farmers Market, Habit Burger, Orange Theory, Cookie Dough Parlor, and Jovance Salon and Barbering. The Gateway East portion of the project includes: an approximately 11,000 square foot medical office building with an associated parking garage planned to open in the second half of 2019, a 75-foot pylon sign, and a drive through Starbucks which opened in November 2016. Landscape enhancements and a pedestrian connection for the Pinole Creek Trail, west of the Gateway West portion of the project site is in progress.

- *CVS Pharmacy Project*

The City has approved building permits for development of a new approximately 15,000 square foot CVS store with a drive through pharmacy at 1617 Canyon Drive (southeast corner of the intersection of Appian Way and Canyon Drive) that is under construction. The project involves the demolition of the existing multi-story medical building, and includes the relocation of two existing wireless communications facilities within the approximately 1.9-acre project site and the construction of a clock tower structure to camouflage the proposed relocated wireless communication facility antennas. The new store will replace the existing CVS store in the Appian 80 Shopping Center. The project is estimated to be completed in Spring of 2019.

## **Major Initiatives**

### Budget Recovery Plan

During fiscal year 2017-18, the City maintained its commitment towards improving the General Fund's financial condition. The General Fund reserve was established in fiscal year 2014-15 in the amount of \$3 million using one time revenues mainly from the sale of property from the former Redevelopment Agency. City Council established a goal of funding a \$5.5 million reserve, or six months equivalent of operating expenses. Beginning in fiscal year 2016-17, \$200,000 is allocated to general reserves from Measure S 2014 funding.

### Capital Facilities and Infrastructure Projects

- *Wastewater Pollution Control Plant Improvements*

Construction of the Pinole-Hercules Wastewater Treatment Plant upgrade project which has been in development for the past five years began in May of 2016. Construction is anticipated to last approximately 30 months with an estimated completion in June of 2019.

The estimated project cost is \$53 million and is funded 50/50 by the cities of Pinole and Hercules. The City has received a low interest State Revolving Fund (SRF) loan in the amount of \$26.6 million from the State Water Resources Control Board (SWRCB) for its proportionate share of construction costs. The City adopted a 5-year rate plan on July 2, 2013 to generate the required debt service funding. The rates for a Single Family Residence (SFR) increased from \$60.55/month to \$62.55/month effective July 1, 2017.

- The City of Pinole expanded the street light replacement program in conjunction with PG&E to include an additional 260 street lights. The program replaced high pressure sodium street lights with energy saving LEDs. The estimated energy savings and decreased maintenance costs will pay for the retrofit project in less than five years.

### Community Events

- The Pinole Police Department hosted several community outreach programs such as: National Night Out, Beat Team Meetings, Coffee with a Cop, Police/Clergy Coalition, School Liaison Officer Program, Paws on Patrol, and the Parent Program.

- The Annual Community Service Day was held in June 2018. This event was attended by more than a hundred civic-minded community members who joined together to volunteer in a variety of hands-on community projects throughout Pinole. The event concluded with an appreciation lunch at the Pinole Youth Center.
- Other community events include: a Halloween Carnival, Christmas Tree Lighting, concerts and movies in the park, the American Cancer Society's annual Relay for Life, cookies and canvas fundraiser, wine tasting fundraiser, annual crab feed, Coastal Clean-up, Classic Car Show, and Special Olympics Northern California Bike the Bridges.

## **Financial Policies and Planning**

The annual budget serves as the foundation for the City of Pinole's financial planning and control. The budget process begins in February with each department receiving a budget packet. The City Manager, Assistant City Manager and Finance Director meets with each department director to discuss their budget requests and to make adjustments where necessary. The Finance Subcommittee meets in May at which time the departments' proposed operating budgets are presented to the City Council for further review and preparation for the public hearing. Prior to July 1 of each year, the City Manager submits to the City Council a proposed operating budget for the coming fiscal year. The operating budget includes proposed expenditures and the financing sources. Public hearings are conducted in June to obtain taxpayers' comments. The budget is legally adopted through passage of a Council resolution no later than June 30. A budget review, which includes recommended additions or changes, is presented to the City Council on a quarterly basis. Any changes as a result of these reviews are legally adopted through Council resolution.

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

Public funds held by the City Treasury were invested in accordance with the City's Investment Policy that was reviewed and adopted on August 21, 2018 and conforms to the California Government Code Section 53601. The permitted investments include U.S. treasury notes, bonds, or bills; instruments issued by a U.S. federal agency or a U.S. government sponsored enterprise; negotiable certificates of deposit (with certain restrictions); medium term corporate notes with a rating category of "AA" or better; commercial paper of "prime quality"; bankers acceptances; repurchase agreements not to exceed 30 days; money market mutual funds; and with the State of California Local Agency Investment Fund. The objectives of the City's Investment Policy are to invest up to 100% of temporarily idle funds while maintaining safety, liquidity and yield. The Investment Policy is reviewed annually in conjunction with all financial policies to ensure its consistency with respect to the overall objectives, and its relevance to current laws and financial trends.

The City is a member of the Municipal Pooling Authority (MPA). This Joint Powers Authority (JPA) was formed to allow member agencies to pool together to provide cost effective risk management services and programs to member agencies. The MPA provides for general liability, workers compensation, auto-physical damage, all risk fire and property, including earthquake, and boiler and machinery coverage. The City also purchases employee benefit coverage through this pool which includes dental and orthodontic, life and long-term disability coverage.

The City has fully implemented the following most recent Governmental Accounting Standards Board (GASB) Statements: Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*," Statement No. 81, "*Irrevocable Split-Interest Agreements*," Statement No. 85, "*Omnibus 2017*," and Statement No. 86, "*Certain Debt Extinguishment Issues*." Refer to Note 1 on pages 55 and 56 for more information.

## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the City of Pinole for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the twenty-first consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its continued eligibility for a certificate.

## **Acknowledgements**

The preparation of the CAFR was made possible through the dedicated work of the Finance Department staff. Special thanks and acknowledgement are due to Maria Mata and Alice Johnson for their commitment and effectiveness in the maintenance of the City's financial records.

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

Respectfully submitted,



Andrea Miller  
Finance Director



Government Finance Officers Association

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

Presented to

**City of Pinole  
California**

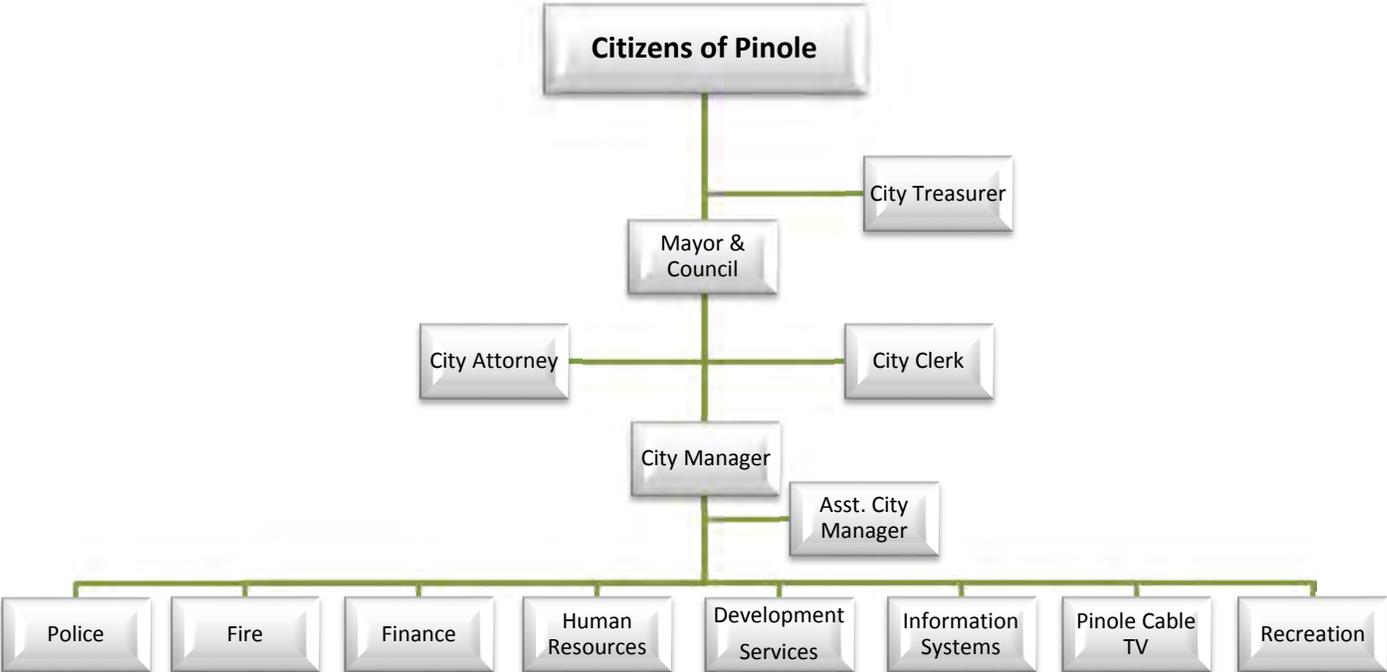
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO

**CITY OF PINOLE – ORGANIZATIONAL CHART**



**CITY OF PINOLE**  
**ELECTED OFFICIALS AND**  
**ADMINISTRATIVE PERSONNEL**

**JUNE 30, 2018**

**ELECTED OFFICIALS**

|                |                |
|----------------|----------------|
| Mayor          | Tim Banuelos   |
| Mayor Pro Tem  | Peter Murray   |
| Council Member | Roy Swearingen |
| Council Member | Debbie Long    |
| Council Member | Maureen Toms   |
| City Treasurer | Dina Rosales   |

**ADMINISTRATIVE PERSONNEL**

|                               |                   |
|-------------------------------|-------------------|
| City Manager                  | Michelle Fitzer   |
| Assistant City Manager        | Hector De La Rosa |
| City Attorney (Contract)      | Eric Casher       |
| Development Services Director | Tamara Miller     |
| Finance Director              | Andrea Miller     |
| Police Chief                  | Neil Gang         |
| Fire Chief                    | Scott Kouns       |
| City Clerk                    | Rosa Acosta       |





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# Financial Section



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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pinole, California (City) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2018, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information, and OPEB information on pages 5-19, 91-95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

### *Other 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 introductory section, budgetary comparison schedule for the City Capital Projects Fund, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 98 to 122 and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedule for the combining and individual nonmajor fund financial statements and budgetary comparison schedules on pages 98 to 122 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 budgetary comparison schedule for the City Capital Projects Fund, combining and individual nonmajor fund financial statements, and the budgetary comparison schedules on pages 98 to 122 are fairly stated in all material respects in relation to the basic financial statements as a whole.

To the Honorable Mayor and Members of the City Council  
of the City of Pinole  
Pinole, California  
Page 3

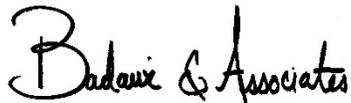
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Change in Accounting Principle**

As described in Note 1 to the financial statements, in 2018, the City adopted new accounting guidance, GASBS No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2019 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 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 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.



Badawi & Associates, CPAs  
Oakland, California  
April 10, 2019

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of the City of Pinole's (City) Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2018 (FY 2017-18). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities at the close of FY 2017-18 by \$35.3 million (net position). Of this amount, \$17.9 million is restricted for specific purposes (restricted net position), \$45.1 million is the net investment in capital assets and \$27.8 million represents a deficit in unrestricted net position.
- The City's net position decreased by \$4 million, a 10.3% decrease at the close of FY 2017-18 as compared to FY 2016-17. As part of implementing GASB Statement No. 75, a prior period adjustment was recorded to eliminate the previously reported net OPEB asset, and to recognize deferred outflows of resources and net OPEB asset as of June 30, 2017. Overall, governmental activities net position decreased by \$3.7 million while business-type activities decreased by \$391 thousand as a result of a decrease in net position.
- Governmental funds reported ending balances of \$46.5 million, an increase of \$15.1 million in comparison to the prior fiscal year ending June 30, 2017.
- The General Fund balance is \$25.9 million, of which \$23.2 million is unassigned.

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

#### Government-wide Financial Statements

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

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

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

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

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

### **Fund Financial Statements**

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

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

The governmental funds focus is narrower than that of the government-wide financial statements. It is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. This comparison facilitates a better understanding of the long-term impact associated with the government's near-term financing decisions. The governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains several individual governmental funds organized according to their type (general, special revenue, debt service, and capital projects). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the *major funds* (see *Notes to Basic Financial Statements*).

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

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

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

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

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

### **Notes to Basic Financial Statements**

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

### **Required Supplementary Information**

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

### **Supplementary Information**

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

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following section provides a comparative analysis of government-wide data for FY 2017-18 and FY 2016-17. The Statement of Net Position will be discussed first, followed by a discussion of the Changes in Net Position.

The following table is a summary of the Statement of Net Position as of June 30, 2018 (2018) and June 30, 2017 (2017).

### City of Pinole Net Position (in millions)

|                                  | Governmental<br>Activities |                | Business-type<br>Activities |                | Totals         |                |
|----------------------------------|----------------------------|----------------|-----------------------------|----------------|----------------|----------------|
|                                  | 2018                       | 2017           | 2018                        | 2017           | 2018           | 2017           |
| <b>Assets:</b>                   |                            |                |                             |                |                |                |
| Current and other assets         | \$ 49.2                    | \$ 34.2        | \$ 12.7                     | \$ 10.6        | \$ 61.9        | \$ 44.9        |
| Capital assets                   | 31.9                       | 33.0           | 36.1                        | 29.0           | 68.0           | 62.0           |
| <b>Total assets</b>              | <b>81.1</b>                | <b>67.2</b>    | <b>48.8</b>                 | <b>39.6</b>    | <b>129.9</b>   | <b>106.9</b>   |
| Deferred outflows of resources   | 9.0                        | 5.7            | 0.5                         | 0.3            | 9.5            | 6.0            |
| <b>Liabilities:</b>              |                            |                |                             |                |                |                |
| Current liabilities              | 3.1                        | 3.3            | 1.8                         | 2.2            | 4.9            | 5.5            |
| Long-term liabilities            | 65.8                       | 47.5           | 27.4                        | 17.7           | 93.2           | 65.2           |
| <b>Total liabilities</b>         | <b>68.9</b>                | <b>50.8</b>    | <b>29.2</b>                 | <b>19.9</b>    | <b>98.1</b>    | <b>70.7</b>    |
| Deferred inflows of resources    | 5.6                        | 2.9            | 0.5                         | -              | 6.1            | 2.9            |
| <b>Net position:</b>             |                            |                |                             |                |                |                |
| Net investment in capital assets | 31.8                       | 32.7           | 13.4                        | 14.4           | 45.2           | 47.1           |
| Restricted                       | 17.9                       | 17.8           | -                           | -              | 17.9           | 17.8           |
| Unrestricted                     | (34.0)                     | (31.1)         | 6.2                         | 5.6            | (27.8)         | (25.6)         |
| <b>Total net position</b>        | <b>\$ 15.7</b>             | <b>\$ 19.3</b> | <b>\$ 19.6</b>              | <b>\$ 20.0</b> | <b>\$ 35.3</b> | <b>\$ 39.3</b> |

### Analysis of Net Position

Net position may serve as a useful indicator of a government's financial position. The City's assets exceeded liabilities by \$35.3 million at the close of FY 2017-18. The City's combined net position decreased 10.4%, or \$4 million from the prior fiscal year. This is primarily a result of changes in unrestricted net position of governmental and business-type activities due to the prior fiscal year restatement.

- *Net investment in capital assets* (e.g. infrastructure, land, buildings, improvements other than buildings, construction in progress, and equipment), less any related debt used to acquire assets still outstanding, is \$45.1 million (128% of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available to for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities. The City's net investment in capital assets decreased by \$1.9 million (Note 5). The majority of the decrease was attributable to the depreciation of equipment.
- *Restricted net position* of \$17.9 million (51% of the total) represents resources that are subject to external restrictions on how they may be used. Of this amount, \$13.9 million represents housing net position with \$1.2 million of that amount representing properties held for housing resale or redevelopment (Note 4).
- *Unrestricted net position*, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by \$2.3 million to negative \$27.8 million. Governmental activities unrestricted net position was a negative \$34.0 million (primarily as a result of implementing GASB Statement Nos. 45, 68, 71 and 75), and business-type activities net position was a positive \$6.2 million.

## Analysis of Activities

The following table reflects the changes in net position for governmental and business-type activities as of June 30, 2018 (2018) and June 30, 2017 (2017).

| City of Pinole                            |                         |                      |                          |                      |                      |                      |                   |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|-------------------|
| Changes in Net Position                   |                         |                      |                          |                      |                      |                      |                   |
|   | Governmental Activities |                      | Business-type Activities |                      | Totals               |                      | Total %<br>Change |
|   | 2018                    | 2017                 | 2018                     | 2017                 | 2018                 | 2017                 |                   |
| <b>Revenues:</b>                          |                         |                      |                          |                      |                      |                      |                   |
| Program revenues:                         |                         |                      |                          |                      |                      |                      |                   |
| Charges for services                      | \$ 4,238,689            | \$ 3,424,433         | \$ 6,524,537             | \$ 6,315,563         | \$ 10,763,226        | \$ 9,739,996         | 10.5%             |
| Operating grants and contributions        | 11,483,081              | 227,184              | -                        | -                    | 11,483,081           | 227,184              | 4954.5%           |
| Capital grants and contributions          | -                       | 1,262,813            | -                        | -                    | -                    | 1,262,813            | -100.0%           |
| Total program revenue                     | <u>15,721,770</u>       | <u>4,914,430</u>     | <u>6,524,537</u>         | <u>6,315,563</u>     | <u>22,246,307</u>    | <u>11,229,993</u>    | <u>98.1%</u>      |
| General revenues:                         |                         |                      |                          |                      |                      |                      |                   |
| Taxes:                                    |                         |                      |                          |                      |                      |                      |                   |
| Property tax                              | 4,555,299               | 3,491,463            | -                        | -                    | 4,555,299            | 3,491,463            | 30.5%             |
| Sales tax                                 | 8,327,359               | 7,596,645            | -                        | -                    | 8,327,359            | 7,596,645            | 9.6%              |
| Franchise tax                             | 747,625                 | 762,726              | -                        | -                    | 747,625              | 762,726              | -2.0%             |
| Utility tax                               | 2,293,756               | 2,066,622            | -                        | -                    | 2,293,756            | 2,066,622            | 11.0%             |
| Transient occupancy tax                   | 513,368                 | 478,940              | -                        | -                    | 513,368              | 478,940              | 7.2%              |
| Other taxes                               | 457,231                 | 365,346              | -                        | -                    | 457,231              | 365,346              | 25.2%             |
| Motor Vehicle in Lieu                     | 1,701,939               | 1,608,906            | -                        | -                    | 1,701,939            | 1,608,906            | 5.8%              |
| Investment Earnings                       | 278,155                 | 15,638               | 58,958                   | 3,570                | 337,113              | 19,208               | 1655.1%           |
| Miscellaneous                             | 135,059                 | 70,366               | -                        | -                    | 135,059              | 70,366               | 91.9%             |
| Total general revenues                    | <u>19,009,791</u>       | <u>16,456,652</u>    | <u>58,958</u>            | <u>3,570</u>         | <u>19,068,749</u>    | <u>16,460,222</u>    | <u>15.8%</u>      |
| Total revenues                            | <u>34,731,561</u>       | <u>21,371,082</u>    | <u>6,583,495</u>         | <u>6,319,133</u>     | <u>41,315,056</u>    | <u>27,690,215</u>    | <u>49.2%</u>      |
| <b>Expenses:</b>                          |                         |                      |                          |                      |                      |                      |                   |
| General government                        | 3,482,534               | 5,952,688            | -                        | -                    | 3,482,534            | 5,952,688            | -41.5%            |
| Public safety                             | 12,202,527              | 10,326,947           | -                        | -                    | 12,202,527           | 10,326,947           | 18.2%             |
| Public services                           | 3,217,759               | 2,568,265            | -                        | -                    | 3,217,759            | 2,568,265            | 25.3%             |
| Recreation                                | 1,145,227               | 1,151,760            | -                        | -                    | 1,145,227            | 1,151,760            | -0.6%             |
| Community development                     | 1,642,031               | 1,065,848            | -                        | -                    | 1,642,031            | 1,065,848            | 54.1%             |
| Interest and fiscal charges               | 331,464                 | 338,507              | -                        | -                    | 331,464              | 338,507              | -2.1%             |
| Wastewater utility                        | -                       | -                    | 5,193,994                | 4,597,454            | 5,193,994            | 4,597,454            | 13.0%             |
| Total expenses                            | <u>22,021,542</u>       | <u>21,404,015</u>    | <u>5,193,994</u>         | <u>4,597,454</u>     | <u>27,215,536</u>    | <u>26,001,469</u>    | <u>4.7%</u>       |
| Revenues over (under) expenses            | 12,710,019              | (32,933)             | 1,389,501                | 1,721,679            | 14,099,520           | 1,688,746            | 734.9%            |
| Changes in Net Position                   | <u>12,710,019</u>       | <u>(32,933)</u>      | <u>1,389,501</u>         | <u>1,721,679</u>     | <u>14,099,520</u>    | <u>1,688,746</u>     | <u>734.9%</u>     |
| Net position, beginning of year, restated | 2,941,729               | 19,340,737           | 18,233,333               | 18,292,291           | 21,175,062           | 37,633,028           | -43.7%            |
| Net position, end of year                 | <u>\$ 15,651,748</u>    | <u>\$ 19,307,804</u> | <u>\$ 19,622,834</u>     | <u>\$ 20,013,970</u> | <u>\$ 35,274,582</u> | <u>\$ 39,321,774</u> | <u>-10.3%</u>     |

### *Governmental Activities*

Governmental activities net position decreased by \$3.7 million accounting for 90% of the total decrease in net position of \$4.0 million. Key elements of the change in net position are as follows:

- The decrease in net position is primarily the result of a prior period adjustment (Note 15) to implement GASB 75, "Accounting and Financial Reporting for Postemployment Benefits."
- Program revenue reflected an increase of \$10.8 million (220%) over FY 2016-17. Operating grants and contributions increased by \$11.3 million largely due to the sale of property proceeds, capital grants and contributions decreased by \$1.3 million (100%) over the prior fiscal year, while charges for services increased \$0.8 million (23.3%) as result of increase permit and fee revenue resulting from increased development in the Gateway and Appian 80 area.
- General revenue reflected an increase of \$2.6 million (15.5%) over FY 2016-17. This is largely attributable to an increase in Property Tax of \$1.1 million (30%) over FY2016-17, and an increase in Sales Tax of \$0.7 million (9.6%) as a result of an increase in online shopping and delayed apportionment from the county pools to the local agencies. Overall, this is indicative of a continued strengthening of the City's economy with new development, a strong Sales Tax base, and stabilized home sales.

Expenses increased by \$0.6 million (2.9%) in FY 2017-18. The most significant changes were in general government with a decrease of \$2.5 million (-41.5%), public safety with an increase of \$1.9 million (18.2%) and public services with an increase of \$0.6 million (25.3%). These changes are largely due to onetime expenditures in the prior fiscal year with the implementation of new financial software purchased in general government and an increase in public safety FY2017-18 due to one-time vehicle equipment purchases.

### *Business-type Activities*

Business-type activities decreased the City's net position by \$0.4 million accounting for 10% of the total decrease in net position of \$4.0 million. Key elements of the change in net position are as follows:

- As is the case in governmental activities, the decrease in net position is primarily the result of a prior period adjustment (Note 15) to implement GASB 75, "Accounting and Financial Reporting for Postemployment Benefits."
- The City's sole business-type activity is the operation of its Water Pollution Control Plant (WPCP) Wastewater Utility, which is accounted for in a proprietary-type enterprise fund. The WPCP accounts for the collection, treatment and disposal of wastewater generated by city residents and businesses. The operation and maintenance of the City's Wastewater Utility should be a self-supporting enterprise that is paid for by monthly service charges to all residential and commercial users. The City's business-type activities provide the same type of information as the proprietary fund financial statements, but are presented in a more summarized format.
- Program revenues increased \$0.2 million (3.3%) over the prior fiscal year.
- There was a increase in expenses over the prior fiscal year of \$0.6 million (13%). Depreciation expense is considered a cost of service in proprietary funds, which accounted for \$1.0 million in FY 2017-18 (Note 5).

- The City of Pinole is financing its share of the Water Pollution Control Plant Upgrade project through a low interest loan from the State Revolving Loan Fund. The City has been approved for a loan in the amount of \$26.6 million by the State Water Resources Control Board. In order to repay the loan, the City Council approved Resolution Number 2013-47 with scheduled rate increases over a five year period, beginning July 1, 2013. The 2017 monthly rate for single family residents was \$62.55.

**Fund Financial Analysis**

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

**Governmental Funds**

The following table presents the Governmental Funds’ balances as of June 30, 2018:

**Governmental Fund Balances**

|                            | General Fund         | Other Governmental Funds | Total Governmental Funds |
|----------------------------|----------------------|--------------------------|--------------------------|
| Nonspendable               | \$ 12,669            | \$ -                     | \$ 12,669                |
| Restricted                 | \$ 133,586           | \$ 18,250,952            | \$ 18,384,538            |
| Committed                  | \$ 2,531,677         | \$ 2,366,429             | \$ 4,898,106             |
| Unassigned                 | \$ 23,249,204        | \$ (43,673)              | \$ 23,205,531            |
| <b>Total Fund Balances</b> | <b>\$ 25,927,136</b> | <b>\$ 19,688,978</b>     | <b>\$ 46,500,844</b>     |

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

At June 30, 2018, the City’s governmental funds reported combined fund balances of \$46.5 million, which is an increase of \$15.1 million (48.1%) when compared to the prior fiscal year, FY 2016-17. This is primarily the result of sale of the Pinole Assisted Living Community (PALC) property.

*Nonspendable fund balances* constitute \$13 thousand, (.03%) of the combined governmental fund balance and cannot be spent either because the underlying resources are not in a spendable form or because the government is legally or contractually required to maintain the resources intact.

*Restricted fund balances* constitute \$18.4 million, (39.5%) of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

*Committed fund balances* constitute \$4.9 million (10.5%) of the combined governmental fund balance and are constrained by City Council for reserves for economic uncertainty as well as certain capital projects.

*Assigned fund balances* are intended to be used for specific purposes and have been identified as such by the City Council or the City Manager who has been delegated authority by the City Council to assign amounts. No portion of the governmental fund balances is currently *assigned*.

*Unassigned fund balances* constitute \$23.2 million (49.91%) of the combined governmental fund balance and consist of amounts that have not been classified as *nonspendable, restricted, committed, or assigned*.

## **Analysis of Governmental Funds**

### **General Fund**

The designated major Governmental funds in FY 2017-18 are the General Fund and the Housing Fund. A *major fund* is defined as those funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

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

The fund balance for the General Fund increased by \$14.2 million, primarily reflecting sales proceeds from the sale of property of \$10 million, and revenues in excess of expenditures in the current fiscal year of \$5.0 million, offset by other financing uses in the amount of \$0.8 million as a result of operating contributions to other operating funds.

General Fund revenue increased by \$2.9 million (17.3%) this fiscal year. The largest component of this increase is in the Taxes and Assessments revenue category of \$1.9 million (12.9%), and in the Charges for Services category of \$0.9 million (44.2%). This is a result of an increase in police communication fees and license and permit fees related to development.

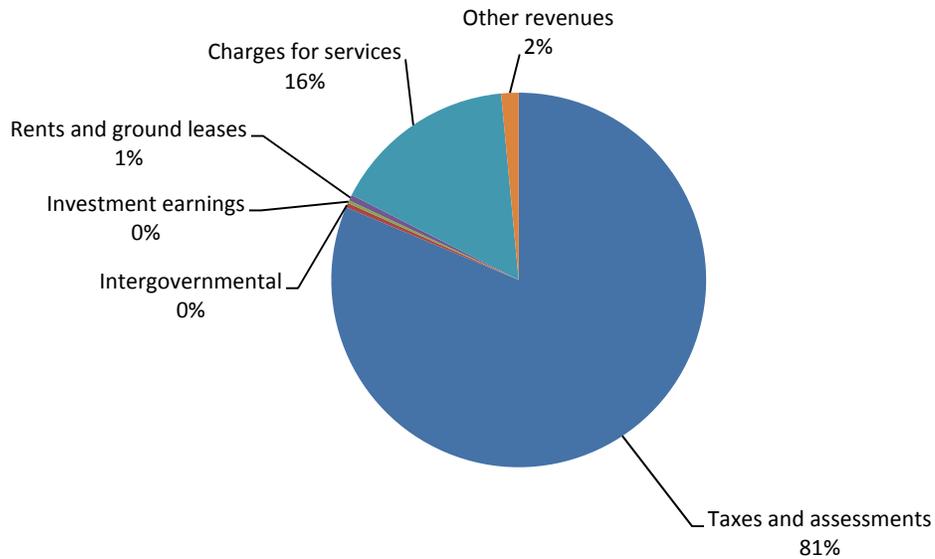
General Fund expenditures increased \$1.2 million this fiscal year (9%). This is primarily attributed to salary and benefit increases, and increase in capital outlay of \$0.7 million related to vehicle and equipment purchases funded this fiscal year.

## Revenue

The following table highlights the General Fund revenue by source as of June 30, 2018.

| <b>Revenue by Source</b> | <b>% of Total</b> | <b>FY 2017-18</b> |
|--------------------------|-------------------|-------------------|
| Taxes and assessments    | 81%               | 16,363,136        |
| Intergovernmental        | 0%                | 79,426            |
| Investment earnings      | 0%                | 48,384            |
| Rents and ground leases  | 1%                | 102,811           |
| Charges for services     | 16%               | 3,220,215         |
| Other revenues           | 2%                | 302,412           |
| Total                    | 100%              | <u>20,116,384</u> |

## Revenue by Source



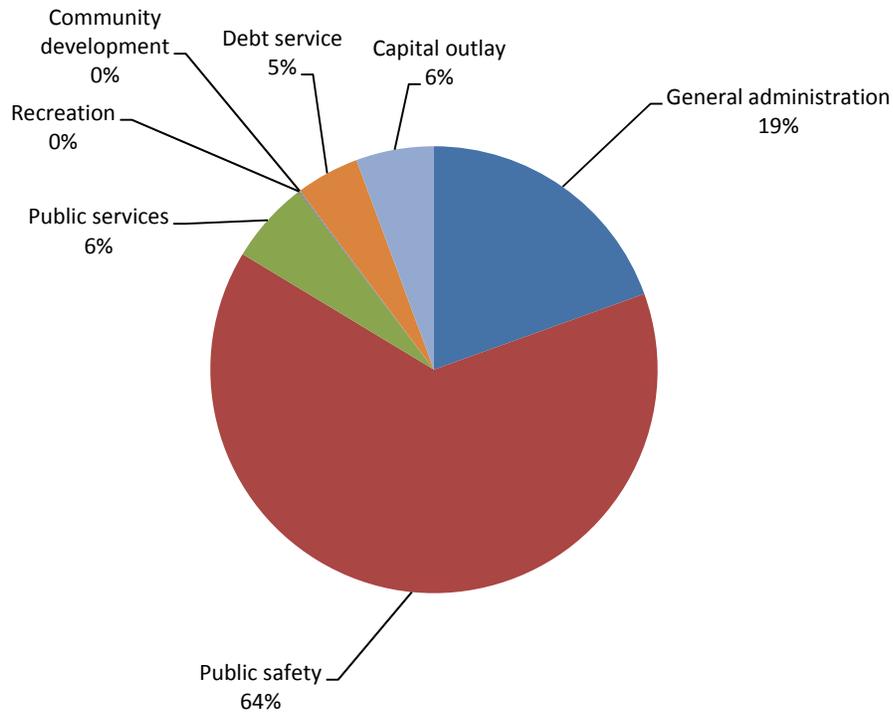
## Expenditures

The following table highlights the General Fund expenditures by function as of June 30, 2018.

### City of Pinole Expenditures Classified by Function

| Expenditures by Function | % of Total | FY 2017-18        |
|--------------------------|------------|-------------------|
| General administration   | 19%        | 2,941,569         |
| Public safety            | 64%        | 9,678,926         |
| Public services          | 6%         | 906,391           |
| Recreation               | 0%         | 8,458             |
| Community development    | 0%         | 8,206             |
| Debt service             | 5%         | 693,138           |
| Capital outlay           | 6%         | 849,845           |
| Total                    | 100%       | <u>15,086,533</u> |

### Expenditures by Function



## **Other Governmental Funds**

These funds are not presented separately in the Basic Financial statements, but are presented individually as Supplemental Information.

Other governmental funds revenue increased by \$0.2 million this fiscal year as compared to the prior fiscal year. This is largely the result of fees associated with new development in the Gateway Shopping Center and Appian 80.

Other governmental funds expenditures increased by \$0.7 million this fiscal year as compared to the prior fiscal year. This is largely in the community development and capital outlay category as a result of infrastructure projects completed this fiscal year.

### ***Proprietary Fund***

#### **Wastewater Utility**

The Wastewater Utility Funds net position decreased by \$0.4 million (3.3%) over the prior fiscal year to a total of \$19.6 million. Operating income for FY 2017-18 was \$6.5 million, as revenues increased \$0.2 million, while expenditures increased \$0.6 million.

The Fund's Net Position is comprised of \$13.4 million net investment in capital assets and \$6.2 million in unrestricted net assets at June 30, 2018. The increased rates for the sewage collection and treatment fees have successfully restored positive cash flows to the City's Business-type Activities, stabilizing the fiscal condition of this enterprise activity.

### ***Fiduciary Fund***

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

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

The Successor Agency is a separate legal entity which was formed to hold the assets of the former Redevelopment Agency pursuant to City Council action. The activity of the Successor Agency is overseen by an Oversight Board comprised of individuals appointed by various government agencies (Note 1).

Recognizing the need for short-term borrowing to finance the General Fund cash flow (Working Capital) needs following the fiscal distress resulting from the Economic Recession of 2008, internal borrowing between the City and its former Redevelopment Agency was authorized in April of 2008. The amounts advanced (\$2.5 million) by the Redevelopment Agency will be repaid with interest over a period of no more than fifteen years commencing the 2013-14 fiscal year. Repayment of the debt was secured with a collateralized investment agreement pledging City assets (real property and facilities having commercial value in excess of the amount authorized for the borrowing) against the borrowing. The initial repayment of \$263,300 was made in 2014, and the remaining balance of the Note Payable at June 30, 2018 was \$1,592,071 (Note 6).

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets:

The City's net investment in capital assets for its governmental and business-type activities as of June 30, 2018 was \$45.1 million. This investment in capital assets includes: infrastructure, land, construction-in-progress, buildings, and improvements, equipment, vehicles, streets and roads, storm drains, bridges, parks, and sewer lines. Infrastructure assets are items that are normally immovable and of value to the City such as roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items (Note 5).

Net investment in capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

### Capital Assets at Year-end

|                                     | 2018                 | 2017                 | Net Change            |
|-------------------------------------|----------------------|----------------------|-----------------------|
| <i>Governmental Activities</i>      |                      |                      |                       |
| Land (and Construction-in-progress) | \$ 6,907,421         | \$ 6,842,167         | \$ 65,254             |
| Buildings & Improvements            | 16,232,126           | 16,183,966           | 48,160                |
| Equipment                           | 5,029,188            | 4,640,805            | 388,383               |
| Vehicles                            | 3,179,216            | 2,935,519            | 243,697               |
| Streets & Roads                     | 50,184,035           | 50,184,035           | -                     |
| Storm Drains                        | 2,829,488            | 2,829,488            | -                     |
| Bridges                             | 3,117,473            | 3,117,473            | -                     |
| Parks                               | 2,420,246            | 2,420,246            | -                     |
| Less accumulated depreciation       | (57,957,289)         | (56,158,142)         | (1,799,147)           |
| <b>Totals</b>                       | <b>\$ 31,941,904</b> | <b>\$ 32,995,557</b> | <b>\$ (1,053,653)</b> |
| <i>Business-type activities</i>     |                      |                      |                       |
| Construction in Progress            | \$ 21,370,171        | \$ 13,236,260        | \$ 8,133,911          |
| Sewer Lines                         | 7,650,185            | 7,650,185            | -                     |
| Buildings & Improvements            | 20,670,132           | 20,670,132           | -                     |
| Vehicles                            | 578,652              | 578,652              | -                     |
| Equipment                           | 3,272,597            | 3,272,597            | -                     |
| Less accumulated depreciation       | (17,420,246)         | (16,390,367)         | (1,029,879)           |
| <b>Totals</b>                       | <b>\$ 36,121,491</b> | <b>\$ 29,017,459</b> | <b>\$ 7,104,032</b>   |

## Debt Administration:

Each of the City's debt issues is discussed in detail in Note 7 to the financial statements. At June 30, 2018 the City's remaining long-term debt is comprised of a Pension Obligation Bond bearing interest rates ranging from 5.67% to 6.12%, and capital equipment leases, as follows:

### Outstanding Debt

|                                    | Balance             | Balance             | Net Change          |
|------------------------------------|---------------------|---------------------|---------------------|
|                                    | 30-Jun-18           | 30-Jun-17           |                     |
| <b>Governmental Activity Debt:</b> |                     |                     |                     |
| Pension Obligation bonds           | \$ 3,436,175        | \$ 3,686,615        | \$ (250,440)        |
| Capital Lease Obligations          | 183,490             | 294,724             | (111,234)           |
| <b>Total Debt</b>                  | <b>\$ 3,619,665</b> | <b>\$ 3,981,339</b> | <b>\$ (361,674)</b> |

Other long-term liabilities include accrued payroll obligations (vested compensated absences accrued).

### Other Long-term Liabilities

|  | Balance           | Balance           | Net Change       |
|--|-------------------|-------------------|------------------|
|  | 30-Jun-18         | 30-Jun-17         |                  |
| <b>Other Long-term Liabilities:</b>      |                   |                   |                  |
| Compensated Absences                     | \$ 656,630        | \$ 598,774        | \$ 57,856        |
| <b>Total Other Long-term Liabilities</b> | <b>\$ 656,630</b> | <b>\$ 598,774</b> | <b>\$ 57,856</b> |

## ECONOMIC OUTLOOK AND MAJOR INITIATIVES

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

- Successful implementation of the **City's Budget Recovery Plan** has eliminated structural deficits between the generation and collection of current period revenues and those on-going expenditures required to sustain basic service levels for all programs and activities.
- **Capital Facility and Public Infrastructure projects** are progressing according to construction scheduling, with primary focus on repairs to City streets/roadways and renovation of the joint use Wastewater Treatment Plant operated cooperatively with the City of Hercules. The City adopted a Five-Year Capital Improvement Plan on August 21, 2018 which identifies capital needs and funding for the next five years.
- **Redevelopment Dissolution** activities are progressing with the submission of a Long-Range Property Management Plan and annual Recognized Obligation Payment Schedules to the State Department of Finance. The City's legal complaint against the State regarding Asset Transfers was resolved in May of 2014, based on a Court Ruling. Despite strong language from the Court regarding the unfair consequences of the adopted dissolution legislation, the Judicial Decision was not favorable to the City. In June (2014), the City Council decided that it would not appeal the Court's decision in this matter.

## REQUESTS FOR INFORMATION

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

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# **BASIC FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**City of Pinole**  
**Statement of Net Position**  
**June 30, 2018**

|   | Primary Government         |                             |                      |
|---|----------------------------|-----------------------------|----------------------|
|   | Governmental<br>Activities | Business-Type<br>Activities | Total                |
| <b>ASSETS</b>                               |                            |                             |                      |
| Cash and investments                        | \$ 40,531,161              | \$ 12,224,244               | \$ 52,755,405        |
| Accounts receivable                         | 3,141,647                  | 460,072                     | 3,601,719            |
| Inventory                                   | 12,669                     | 1,198                       | 13,867               |
| Land held for redevelopment                 | 1,222,070                  | -                           | 1,222,070            |
| Due from private-purpose trust fund         | 4,291,575                  | -                           | 4,291,575            |
| Capital assets                              |                            |                             |                      |
| Land and construction in progress           | 6,907,421                  | 21,370,171                  | 28,277,592           |
| Capital assets being depreciated, net       | 25,034,483                 | 14,751,320                  | 39,785,803           |
| <b>Total assets</b>                         | <b>81,141,026</b>          | <b>48,807,005</b>           | <b>129,948,031</b>   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                            |                             |                      |
| Pension related amounts                     | 7,969,399                  | 380,762                     | 8,350,161            |
| OPEB related amounts                        | 1,056,600                  | 117,400                     | 1,174,000            |
| <b>Total deferred outflows of resources</b> | <b>9,025,999</b>           | <b>498,162</b>              | <b>9,524,161</b>     |
| <b>LIABILITIES</b>                          |                            |                             |                      |
| Accounts Payable                            | 936,137                    | 1,337,829                   | 2,273,966            |
| Unearned revenue                            | 2,137                      | -                           | 2,137                |
| Deposits payable                            | 167,933                    | -                           | 167,933              |
| Advance from private-purpose trust fund     | 1,592,071                  | -                           | 1,592,071            |
| Long-term liabilities:                      |                            |                             |                      |
| Due within one year                         | 442,825                    | 489,489                     | 932,314              |
| Due in more than one year                   | 3,833,470                  | 22,383,346                  | 26,216,816           |
| Other postemployment benefits               |                            |                             |                      |
| Due in more than one year                   | 32,029,200                 | 3,558,800                   | 35,588,000           |
| Net pension liability                       |                            |                             |                      |
| Due in more than one year                   | 29,939,208                 | 1,430,436                   | 31,369,644           |
| <b>Total liabilities</b>                    | <b>68,942,981</b>          | <b>29,199,900</b>           | <b>98,142,881</b>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                            |                             |                      |
| Pension related amounts                     | 2,158,596                  | 103,133                     | 2,261,729            |
| OPEB related amounts                        | 3,413,700                  | 379,300                     | 3,793,000            |
| <b>Total deferred inflows of resources</b>  | <b>5,572,296</b>           | <b>482,433</b>              | <b>6,054,729</b>     |
| <b>NET POSITION</b>                         |                            |                             |                      |
| Net investment in capital assets            | 31,758,414                 | 13,381,134                  | 45,139,548           |
| Restricted for:                             |                            |                             |                      |
| Streets & roads                             | 1,696,227                  | -                           | 1,696,227            |
| Capital Projects                            | 1,486,271                  | -                           | 1,486,271            |
| Public Safety                               | 710,568                    | -                           | 710,568              |
| Storm Sewer                                 | 100,502                    | -                           | 100,502              |
| Housing activities                          | 13,944,760                 | -                           | 13,944,760           |
| Unrestricted                                | (34,044,994)               | 6,241,700                   | (27,803,294)         |
| <b>Total net position</b>                   | <b>\$ 15,651,748</b>       | <b>\$ 19,622,834</b>        | <b>\$ 35,274,582</b> |

See accompanying Notes to Basic Financial Statements.

**City of Pinole**  
**Statement of Activities**  
**For the year ended June 30, 2018**

| Functions/Programs               | Expenses             | Program Revenues     |                                    |                                  | Total                |
|----------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|----------------------|
|                                  |                      | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |                      |
| <b>Primary Government:</b>       |                      |                      |                                    |                                  |                      |
| <b>Governmental activities:</b>  |                      |                      |                                    |                                  |                      |
| General government               | 3,482,534            | \$ 648,409           | \$ 76,259                          | \$ -                             | \$ 724,668           |
| Public safety                    | 12,202,527           | 1,435,741            | 507,426                            | -                                | 1,943,167            |
| public services                  | 3,217,759            | 153,810              | 882,186                            | -                                | 1,035,996            |
| Recreation                       | 1,145,227            | 846,822              | -                                  | -                                | 846,822              |
| Community development            | 1,642,031            | 1,153,907            | 10,017,210                         | -                                | 11,171,117           |
| Interest and fiscal charges      | 331,464              | -                    | -                                  | -                                | -                    |
| Total governmental activities    | 22,021,542           | 4,238,689            | 11,483,081                         | -                                | 15,721,770           |
| <b>Business-type activities:</b> |                      |                      |                                    |                                  |                      |
| Wastewater utility               | 5,193,994            | 6,524,537            | -                                  | -                                | 6,524,537            |
| Total business-type activities   | 5,193,994            | 6,524,537            | -                                  | -                                | 6,524,537            |
| <b>Total primary government</b>  | <b>\$ 27,215,536</b> | <b>\$ 10,763,226</b> | <b>\$ 11,483,081</b>               | <b>\$ -</b>                      | <b>\$ 22,246,307</b> |

**General Revenues:**

Taxes:

Property taxes

Sales taxes

Franchise taxes

Utility taxes

Transient occupancy tax

Other taxes

Unrestricted motor vehicle in lieu

Investment earnings

Miscellaneous

Total general revenues

**Change in net position**

**Net position - beginning of year, as restated**

**Net position - end of year**

| Primary Government                                   |                             |                |
|--|-----------------------------|----------------|
| Net (Expense) Revenue<br>and Changes in Net Position |                             |                |
| Governmental<br>Activities                           | Business-Type<br>Activities | Total          |
| \$ (2,757,866)                                       | \$ -                        | \$ (2,757,866) |
| (10,259,360)   | -                           | (10,259,360)   |
| (2,181,763)  | -                           | (2,181,763)    |
| (298,405)  | -                           | (298,405)      |
| 9,529,086  | -                           | 9,529,086      |
| (331,464)  | -                           | (331,464)      |
| (6,299,772)  | -                           | (6,299,772)    |
| -  | 1,330,543                   | 1,330,543      |
| -  | 1,330,543                   | 1,330,543      |
| (6,299,772)  | 1,330,543                   | (4,969,229)    |
| 4,555,299  | -                           | 4,555,299      |
| 8,327,359  | -                           | 8,327,359      |
| 747,625  | -                           | 747,625        |
| 2,293,756  | -                           | 2,293,756      |
| 513,368  | -                           | 513,368        |
| 457,231  | -                           | 457,231        |
| 1,701,939  | -                           | 1,701,939      |
| 278,155  | 58,958                      | 337,113        |
| 135,059  | -                           | 135,059        |
| 19,009,791   | 58,958                      | 19,068,749     |
| 12,710,019   | 1,389,501                   | 14,099,520     |
| 2,941,729  | 18,233,333                  | 21,175,062     |
| \$ 15,651,748  | \$ 19,622,834               | \$ 35,274,582  |

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Funds Financial Statements*

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## GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

*Housing Programs Fund* this fund receives tax increment funds through Redevelopment activity, representing 20% set-aside for housing activities, funds are expended for approved housing activities.

**City of Pinole**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2018**

|  | Major Funds          |  |                                 | Totals               |
|--|----------------------|--|---------------------------------|----------------------|
|  | General Fund         | Housing Programs<br>Special Revenue Fund | Non-Major<br>Governmental Funds |                      |
| <b>ASSETS</b>  |                      |  |                                 |                      |
| Cash and investments   | \$ 25,270,837        | \$ 2,239,570                             | \$ 6,823,961                    | \$ 34,334,368        |
| Cash and investments with fiscal agent                                     | -                    | 6,196,793                                | -                               | 6,196,793            |
| Accounts receivable  | 2,277,227            | 1,533                                    | 862,887                         | 3,141,647            |
| Loans receivable   | -                    | -  | -                               | -                    |
| Due from other funds   | 643,540              | -  | 9,113                           | 652,653              |
| Due from private-purpose trust   | -                    | 4,291,575                                | -                               | 4,291,575            |
| Inventory  | 12,669               | -  | -                               | 12,669               |
| Land held for redevelopment  | -                    | 1,222,070                                | -                               | 1,222,070            |
| <b>Total assets</b>  | <b>\$ 28,204,273</b> | <b>\$ 13,951,541</b>                     | <b>\$ 7,695,961</b>             | <b>\$ 49,851,775</b> |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>       |                      |  |                                 |                      |
| <b>Liabilities:</b>  |                      |  |                                 |                      |
| Accounts payable and accrued liabilities                                   | \$ 645,604           | \$ 6,781                                 | \$ 283,751                      | \$ 936,136           |
| Unearned revenue   | 2,137                | -  | -                               | 2,137                |
| Deposits payable   | 37,324               | -  | 130,609                         | 167,933              |
| Due to other funds   | -                    | -  | 652,653                         | 652,653              |
| Advances from private-purpose trust fund                                   | 1,592,071            | -  | -                               | 1,592,071            |
| <b>Total liabilities</b>   | <b>2,277,136</b>     | <b>6,781</b>                             | <b>1,067,013</b>                | <b>3,350,930</b>     |
| <b>Fund Balances:</b>  |                      |  |                                 |                      |
| Nonspendable   | 12,669               | -  | -                               | 12,669               |
| Restricted   | 133,586              | 13,944,760                               | 4,306,192                       | 18,384,538           |
| Assigned   | 2,531,677            | -  | 2,366,429                       | 4,898,106            |
| Unassigned   | 23,249,204           | -  | (43,673)                        | 23,205,531           |
| <b>Total fund balances</b>   | <b>25,927,136</b>    | <b>13,944,760</b>                        | <b>6,628,948</b>                | <b>46,500,844</b>    |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 28,204,272</b> | <b>\$ 13,951,541</b>                     | <b>\$ 7,695,961</b>             | <b>\$ 49,851,774</b> |

See accompanying Notes to Basic Financial Statements.

**City of Pinole**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2018**

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**Total Fund Balances - Total Governmental Funds** \$ 46,500,844

Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the governmental funds above because of the following:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds, net of accumulated depreciation of \$57,957,289 31,941,904

Deferred outflows of resources related to changes in the net pension and OPEB liabilities are not reported in the governmental funds 9,025,999

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

Long-term debt (4,276,295)

Net OPEB obligation (32,029,200)

Net pension liability (29,939,208)

Deferred inflows related to changes in the net pension liability (5,572,296)

**Net Position of Governmental Activities** \$ 15,651,748

# City of Pinole

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Governmental Funds

For the year ended June 30, 2018

|   | Major Funds          |  | Non-Major<br>Governmental<br>Funds | Totals               |
|---|----------------------|--|------------------------------------|----------------------|
|   | General<br>Fund      | Housing<br>Programs<br>Special Revenue<br>Fund |                                    |                      |
| <b>REVENUES:</b>                              |                      |  |                                    |                      |
| Taxes and assessments                         | \$ 16,363,136        | \$ -   | \$ 236,251                         | \$ 16,599,387        |
| Intergovernmental revenues                    | 79,426               | -  | 1,381,229                          | 1,460,655            |
| Loan repayments                               | -                    | 15,023   | -                                  | 15,023               |
| Contributions                                 | 5,950                | -  | 24,645                             | 30,595               |
| Investment earnings                           | 48,384               | 13,610   | 26,098                             | 88,092               |
| Rents and ground leases                       | 102,811              | 72,253   | 128,554                            | 303,618              |
| Charges for services                          | 3,220,215            | 4,700  | 2,082,319                          | 5,307,234            |
| Fines, forfeitures and penalties              | 41,279               | -  | 34,391                             | 75,670               |
| Other revenues                                | 255,183              | 5,500  | 573,403                            | 834,086              |
| <b>Total revenues</b>                         | <b>20,116,384</b>    | <b>111,086</b>                                 | <b>4,486,890</b>                   | <b>24,714,360</b>    |
| <b>EXPENDITURES:</b>                          |                      |  |                                    |                      |
| Current:                                      |                      |  |                                    |                      |
| General government                            | 2,941,569            | -  | 315,651                            | 3,257,220            |
| Public Safety                                 | 9,678,926            | -  | 856,977                            | 10,535,903           |
| Public services                               | 906,391              | -  | 578,699                            | 1,485,090            |
| Recreation                                    | 8,458                | -  | 951,867                            | 960,325              |
| Community development                         | 8,206                | 563,889  | 1,024,145                          | 1,596,240            |
| Capital outlay                                | 849,845              | -  | 248,944                            | 1,098,789            |
| Debt service:                                 |                      |  |                                    |                      |
| Principal                                     | 361,674              | -  | -                                  | 361,674              |
| Interest and fiscal charges                   | 331,464              | -  | -                                  | 331,464              |
| <b>Total expenditures</b>                     | <b>15,086,533</b>    | <b>563,889</b>                                 | <b>3,976,283</b>                   | <b>19,626,705</b>    |
| <b>REVENUES OVER (UNDER)<br/>EXPENDITURES</b> | <b>5,029,851</b>     | <b>(452,803)</b>                               | <b>510,607</b>                     | <b>5,087,655</b>     |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                      |  |                                    |                      |
| Proceeds from sale of asset                   | 10,017,210           | -  | -                                  | 10,017,210           |
| Transfers in                                  | -                    | -  | 826,926                            | 826,926              |
| Transfers out                                 | (826,926)            | -  | -                                  | (826,926)            |
| <b>Total other financing sources (uses)</b>   | <b>9,190,284</b>     | <b>-</b>                                       | <b>826,926</b>                     | <b>10,017,210</b>    |
| <b>Net change in fund balances</b>            | <b>14,220,135</b>    | <b>(452,803)</b>                               | <b>1,337,533</b>                   | <b>15,104,865</b>    |
| <b>FUND BALANCES:</b>                         |                      |  |                                    |                      |
| Beginning of year                             | 11,707,001           | 14,397,563                                     | 5,291,415                          | 31,395,979           |
| End of year                                   | <u>\$ 25,927,136</u> | <u>\$ 13,944,760</u>                           | <u>\$ 6,628,948</u>                | <u>\$ 46,500,844</u> |

See accompanying Notes to Basic Financial Statements.

## City of Pinole

### Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities For the year ended June 30, 2018

|  |    |                    |                   |
|--|----|--------------------|-------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b>  |    | \$                 | 15,104,865        |
| Governmental funds report capital outlays as expenditures while governmental activities report depreciation as expense to allocate those expenditures over the life of the assets: |    |                    |                   |
| Capital asset purchases capitalized  | \$ | 745,494            |                   |
| Depreciation expense   |    | <u>(1,799,147)</u> |                   |
| Total capital assets   | \$ | <u>(1,053,653)</u> | (1,053,653)       |
| Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:                         |    |                    |                   |
| Capital lease obligation principal payments  | \$ | 111,234            |                   |
| Bond principal payments  |    | <u>250,440</u>     |                   |
| Total  | \$ | <u>361,674</u>     | 361,674           |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:  |    |                    |                   |
| Accrued compensated absences   |    | (57,856)           |                   |
| Amortization of prepaid bond insurance premium   |    | (44,800)           |                   |
| Net difference between OPEB expense and contributions subsequent at the measurement date   |    | (524,700)          |                   |
| Net difference between pension expense and contributions subsequent at the measurement date  |    | <u>(1,075,511)</u> |                   |
| Total  | \$ | <u>(1,702,867)</u> | (1,702,867)       |
| <b>Change in Net Position of Governmental Activities</b>   |    | \$                 | <u>12,710,019</u> |

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## PROPRIETARY FUND FINANCIAL STATEMENTS

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

**City of Pinole**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

|  | Business-type<br>Activities<br>Wastewater Utility<br>Enterprise Fund |
|--|--|
| <b>ASSETS</b>                              |  |
| Current assets:                            |  |
| Cash and investments                       | \$ 12,224,244  |
| Accounts receivable                        | 460,072  |
| Inventory                                  | 1,198  |
| Total current assets                       | <u>12,685,514</u>  |
| Noncurrent assets:                         |  |
| Construction in progress                   | 21,370,171   |
| Capital assets being depreciated, net      | 14,751,320   |
| <b>Total assets</b>                        | <u><u>\$ 48,807,005</u></u>  |
| <b>DEFERRED OUTFLOWS OF RESOURCES:</b>     |  |
| Pension and OPEB related amounts           | 498,162  |
| <b>Total deferred inflows of resources</b> | <u>498,162</u>   |
| <b>LIABILITIES</b>                         |  |
| Current liabilities:                       |  |
| Accounts Payable                           | \$ 1,337,829   |
| Compensated absences - current             | 15,119   |
| Bonds payable - current                    | 298,000  |
| Notes payable - current                    | 176,370  |
| Total current liabilities                  | <u>1,827,318</u>   |
| Noncurrent liabilities:                    |  |
| Compensated absences - noncurrent          | 117,359  |
| Net OPEB Liability                         | 3,558,800  |
| Bonds payable - noncurrent                 | 7,278,000  |
| Notes payable - noncurrent                 | 14,987,987   |
| Net Pension Liability                      | 1,430,436  |
| Total noncurrent liabilities               | <u>27,372,582</u>  |
| <b>Total liabilities</b>                   | <u>29,199,900</u>  |
| <b>DEFERRED INFLOWS OF RESOURCES:</b>      |  |
| Pension and OPEB related amounts           | 482,433  |
| <b>Total deferred inflows of resources</b> | <u>482,433</u>   |
| <b>NET POSITION</b>                        |  |
| Net investment in capital assets           | 13,381,134   |
| Unrestricted                               | 6,241,700  |
| <b>Total deferred inflows of resources</b> | <u><u>\$ 19,622,834</u></u>  |

See accompanying Notes to Basic Financial Statements.

# City of Pinole

## Statement of Revenues, Expenses and Changes in Fund Net Position

### Proprietary Funds

For the year ended June 30, 2018

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|   | Business-type<br>Activities<br>Wastewater Utility<br>Enterprise Fund |
|---|--|
| <b>OPERATING REVENUES:</b>                    |  |
| Charges for services                          | \$ 6,521,100   |
| Other operating revenue                       | 3,437  |
| <b>Total operating revenues</b>               | <u>6,524,537</u>   |
| <b>OPERATING EXPENSES:</b>                    |  |
| Sewer Treatment Plant                         | 3,791,106  |
| Sewer Maintenance                             | 147,039  |
| Depreciation                                  | 1,029,880  |
| <b>Total operating expenses</b>               | <u>4,968,025</u>   |
| <b>OPERATING INCOME (LOSS):</b>               | <u>1,556,512</u>   |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |  |
| Interest revenue                              | 58,958   |
| Interest expense                              | (225,969)  |
| <b>Total nonoperating revenues (expenses)</b> | <u>(167,011)</u>   |
| <b>Change in net position</b>                 | 1,389,501  |
| <b>NET POSITION:</b>                          |  |
| Beginning of year, as restated                | <u>18,233,333</u>  |
| End of year                                   | <u>\$ 19,622,834</u>   |

See accompanying Notes to Basic Financial Statements.

**City of Pinole**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

|  | Business-type<br>Activities<br>Wastewater Utility<br>Enterprise Fund |
|--|--|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>   |  |
| Cash received from customers   | \$ 6,421,987   |
| Cash paid to suppliers   | (3,569,273)  |
| Cash paid to employees   | (656,502)  |
| <b>Net cash provided by operating activities</b>   | <u>2,196,212</u>   |
| <b>CASH FLOWS FROM CAPITAL AND<br/>RELATED FINANCING ACTIVITIES:</b>   |  |
| Capital debt drawdowns   | 8,377,758  |
| Acquisition and construction of capital assets   | (8,133,911)  |
| Principal paid on capital debt   | (290,000)  |
| Interest paid on capital debt  | (225,969)  |
| <b>Net cash used in capital and related<br/>financing activities</b>   | <u>(272,122)</u>   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>   |  |
| Interest and dividends   | 58,958   |
| <b>Net cash provided by investing activities</b>   | <u>58,958</u>  |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  | 1,983,048  |
| <b>CASH AND CASH EQUIVALENTS:</b>  |  |
| Beginning of year  | 10,241,196   |
| End of year  | <u>\$ 12,224,244</u>   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b> |  |
| Operating income (loss)  | \$ 1,556,512   |
| Adjustments to reconcile operating income (loss)<br>to net cash provided by operating activities:            |  |
| Depreciation   | 1,029,880  |
| (Increase) decrease in assets:   |  |
| Accounts receivables   | (102,550)  |
| Prepaid items  | 575  |
| Inventory  | 4,166  |
| Deferred outflows of resources: pension  | (234,201)  |
| Increase (decrease) in liabilities:  |  |
| Accounts payable   | (565,926)  |
| Compensated absences   | 14,131   |
| Net OPEB liability   | (302,200)  |
| Net Pension Liability  | 193,610  |
| Deferred inflow of resources   | 602,215  |
| <b>Net cash provided by (used in) operating activities</b>   | <u>\$ 2,196,212</u>  |

See accompanying Notes to Basic Financial Statements.

**City of Pinole**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

|   | Private-Purpose<br>Trust Fund | Agency Funds     |
|---|-------------------------------|------------------|
| <b>ASSETS</b>                                   |                               |                  |
| Cash and cash equivalents                       | \$ 4,971,096                  | \$ 97,999        |
| Accounts receivable                             | 9,236                         | -                |
| Notes receivable, net of allowance              | 356,289                       | -                |
| Advances to other funds                         | 1,592,071                     | -                |
| Land held for redevelopment                     | 3,151,254                     | -                |
| Capital assets, net of accumulated depreciation | 12,410,193                    | -                |
| <b>Total assets</b>                             | <u>22,490,139</u>             | <u>\$ 97,999</u> |
| <b>LIABILITIES</b>                              |                               |                  |
| <b>Liabilities:</b>                             |                               |                  |
| Accounts payable                                | 5,764                         | \$ -             |
| Funds held in trust                             | 153                           | 97,999           |
| Due to City                                     | 4,291,575                     | -                |
| Due to County                                   | 18                            | -                |
| Interest Payable                                | 225,370                       | -                |
| Bonds payable                                   | 23,605,000                    | -                |
| <b>Total liabilities</b>                        | <u>28,127,880</u>             | <u>\$ 97,999</u> |
| <b>Net Position</b>                             |                               |                  |
| Held in trust for dissolution of RDA            | <u>(5,637,741)</u>            |                  |
| <b>Total net position</b>                       | <u>\$ (5,637,741)</u>         |                  |

See accompanying Notes to Basic Financial Statements.

**City of Pinole**  
**Statement of Changes in Fiduciary Net Position**  
**All Fiduciary Funds - Private Purpose Trust Fund**  
**For the year ended June 30, 2018**

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|   | <u>Successor Agency</u><br><u>Former Pinole</u><br><u>Redevelopment</u><br><u>Agency</u> |
|---|--|
| <b>ADDITIONS:</b>                       |  |
| Property taxes                          | \$ 3,047,052   |
| Investment income                       | 15,739   |
| Other revenues                          | 86,435   |
| <b>Total additions</b>                  | <u>3,149,226</u>   |
| <b>DEDUCTIONS:</b>                      |  |
| Operating cost                          | 269,150  |
| Depreciation                            | 284,453  |
| Debt interest                           | 539,700  |
| <b>Total Deductions</b>                 | <u>1,093,303</u>   |
| <b>Change in fiduciary net position</b> | 2,055,923  |
| <b>NET ASSETS:</b>                      |  |
| Beginning of year                       | <u>(7,693,664)</u>   |
| End of year                             | <u>\$ (5,637,741)</u>  |

See accompanying Notes to Basic Financial Statements.

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# Notes to Basic Financial Statements

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**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of Pinole was incorporated June 25, 1903. The City is primarily a residential community located in Contra Costa County, twenty-four miles east of San Francisco on Interstate 80. The City provides the following services: public safety (police and fire), parks, streets and highways, sanitation and health services, culture-recreation, public improvements, planning and zoning, and general administration services. The City's population has remained relatively stable for some years; population at June 30, 2018 was 19,234.

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2018, the City's staff comprised 100 full-time and 39 part-time employees who are responsible for the following City-provided services:

Public Safety - The City employs 28 sworn and 13 non-sworn police personnel to provide round-the-clock police services from a central station, and 15 personnel to provide round-the-clock fire services from one fire station.

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

Parks, Streets and Highways - The City builds and maintains its streets, curbs, gutters, parks and related public property with a force of 11 employees. Major projects may be contracted out to reduce costs.

Recreation, Public Improvements, Planning, Zoning, Administration - Recreation, Public Improvements, Planning, Zoning, Administration and other services are provided by a total of 49 employees.

The financial statements and accounting policies of the City conform with generally accepted accounting principles applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting policies are summarized below:

**A. *The Reporting Entity***

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

*City of Pinole Joint Powers Financing Authority*

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***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 of America.

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

*Government-wide Financial Statements:*

The Statement of Net Position and Statement of Activities display information about the reporting government as a whole. They include the activities of the overall City government except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The statements distinguish between governmental and business-type activities of the City. The City's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The City first utilizes restricted resources to finance qualifying activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the City and 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 for 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) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. 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 its blended component unit. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Presentation, Continued**

- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

The funds of the financial reporting entity are described below:

Governmental Funds:

General Fund - The general fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purpose other than debt service or capital projects.

Debt Service Fund - Debt service funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Project Funds - Capital project funds are used to account for financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Proprietary Funds:

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Fiduciary Funds (not included in government-wide statements):

Agency Fund - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds - Private purpose trust funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Major Funds

The City reports 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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**B. Basis of Presentation, Continued**

Housing Programs Fund - This fund receives tax increment funds from the Successor Agency representing 20% set-aside for housing activities; funds are expended for approved housing activities.

Wastewater Utility Fund - The City has one enterprise fund, which is a major fund. This fund is used to account for the collection of sewer service fees and the related cost of maintenance and repair of the sewer treatment plant.

The City also reports the following fund types:

Agency Funds - These funds are custodial in nature and do not involve measurement of the results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. These funds account for assets held by the City as an agent for other governmental units or individuals.

Private Purpose Trust Fund - This fund was created as a result of the State order to dissolve California Redevelopment Agencies. As a Successor Agency, this fund is used to track the activity by the Oversight Board and the State Department of Finance to dissolve the Agency. Separate audited financial statements for the Successor Agency may be obtained from the City.

**C. Basis of Accounting and Measurement Focus**

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and current liabilities generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Basis of Accounting and Measurement Focus, Continued**

- b. The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The "economic resources" measurement focus and the accrual basis of accounting is used for trust funds.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-type activities are presented using the accrual basis of accounting. In addition, all fiduciary funds use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

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 are 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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Basis of Accounting and Measurement Focus, Continued**

*Basis of Accounting, Continued*

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Proprietary funds distinguish operating revenues and expenses from Nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal operations. The principal operating revenues of the sewer and enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as Nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**D. Property Taxes**

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

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

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***E. Cash and Investments***

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

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

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

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

***F. Accounts and Interest Receivable***

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**G. Prepaid Expenses and Inventory**

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

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

**H. Capital Assets**

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements:

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

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 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 exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, while accumulated depreciation is reflected in the Statement of Net Position. The City has assigned the useful lives listed below to capital assets:

|                           |            |
|---------------------------|------------|
| Buildings                 | 50 years   |
| Equipment                 | 5-10 years |
| Vehicles                  | 5-10 years |
| Streets and roads         | 50 years   |
| Bridges                   | 75 years   |
| Street drainage           | 100 years  |
| Parks                     | 70 years   |
| Wastewater infrastructure | 50 years   |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***H. Capital Assets, Continued***

*Fund Financial Statements*

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

***I. Long Term Liabilities***

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, and other long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Initial issue bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding is included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

***J. Compensated Absences***

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. The City's liability for compensated absences is recorded in the government-wide Statement of Net Position for governmental funds and the Statement of Net Position for proprietary funds as appropriate. A liability is calculated for all the costs of compensated absences based upon benefits earned by employees in the current period for which there is a probability of payment at termination. The salary and related payroll costs are those in effect at June 30, 2018. The amount of accrued sick pay is not due upon termination and therefore is not recorded as a liability for the City. The liability for compensated absences is determined annually.

***K. Deferred Outflows/Inflows of Resources***

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**K. *Deferred Outflows/Inflows of Resources, Continued***

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

**L. *Pension***

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

**M. *Other Post Employment Benefits (OPEB)***

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2017                 |
| Measurement Date   | June 30, 2017                 |
| Measurement Period | July 1, 2016 to June 30, 2017 |

**N. *Interfund Transactions***

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***O. Net Position and Fund Equity***

*Government-wide Statements*

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 categories. These categories apply only to net position, which is determined at the government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets".

*Fund Statements*

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (Resolution) of the government's highest level of decision-making authority (City Council).
- d. Assigned - Amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Pursuant to City Council Resolution 2011-71, the designation of assignments of fund balance is determined by the City Manager.
- e. Unassigned - Amounts representing the residual classification for the general fund and residual negative fund balance of special revenue and capital project funds.

Further detail about the City's fund balance classification is described in Note 11.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**P. Grant Funding**

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

**Q. Revenues for Enterprise Activities**

Operating revenues for proprietary funds are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue not related to capital and related financing, noncapital financing or investing activities.

**R. Deferred Compensation**

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

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

**S. Use of Estimates**

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

**T. Reclassifications**

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform to the presentation in the current-year financial statements.

**U. Implementation of Government Accounting Standards Board Statements**

Effective July 1, 2017, the City implemented the following accounting and financial reporting standards:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* - The objective of this statement is to address reporting by governments that provide other postemployment benefits (OPEB) to their employees and for governments that finance OPEB for employees of other governments. The City restated its beginning net position as part of implementation of this statement.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*T. Implementation of Government Accounting Standards Board Statements, Continued*

- GASB Statement No. 81, Irrevocable Split-Interest Agreements – The objective of this statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 85, Omnibus 2017 – The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and other postemployment benefits (OPEB). There was no effect on net position as a result of implementation of this statement.
- GASB Statement No. 86, Certain Debt Extinguishment Issues – The objective of this statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement did not apply to the City for the current fiscal year.

**2. CASH AND INVESTMENTS**

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

*A. Summary of Cash and Investments*

Cash and investments as of June 30, 2018 were classified in the accompanying financial statements as follows:

|  | <b>Cash &amp;<br/>Investments</b> |
|--|-----------------------------------|
| Governmental activities                    | \$ 40,531,161                     |
| Business-type activities                   | 12,224,244                        |
| Total government-wide cash and investments | 52,755,405                        |
| Fiduciary activities                       | 5,069,095                         |
| Total cash and investments                 | \$ 57,824,500                     |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**2. CASH AND INVESTMENTS, Continued**

**A. Summary of Cash and Investments, Continued**

Cash and investments were carried at fair value as of June 30, 2018 and consisted of the following:

|                                     |                             |
|-------------------------------------|-----------------------------|
| Cash on hand                        | \$ 3,316                    |
| Deposits with financial institution | 3,379,318                   |
| Total Cash on hand and deposits     | <u>3,382,634</u>            |
| Money Market                        | 29,876,397                  |
| Local Agency Investment funds       | 12,236,782                  |
| CalTrust                            | 3,093,694                   |
| Investments Held by custodian       | <u>9,234,993</u>            |
| Total investments                   | <u>54,441,866</u>           |
| <b>Total Cash &amp; Investments</b> | <b><u>\$ 57,824,500</u></b> |

**B. Deposits**

The carrying amount of the City's cash deposit was \$3,379,318 at June 30 2018. Balance before reconciling amounts were a positive amount of \$3,446,479 at June 30, 2018. The City has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities pledged by the pledging financial institution in the City's name.

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

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**2. CASH AND INVESTMENTS, Continued**

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

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

| Authorized Investment Type                                     | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|--|------------------|---------------------------------|----------------------------------|
| U.S. Treasury Obligations                                      | 5 years          | None                            | None                             |
| U.S. Agency Securities   | 5 years          | 40%                             | None                             |
| Repurchases Agreements   | 30 days          | 10%                             | None                             |
| Banker's Acceptances   | 180 days         | 40%                             | 10%                              |
| Commercial Paper (Minimum rating of "A" or higher)             | 180 days         | 15%                             | None                             |
| Medium Term corporate Notes (Minimum rating of "AA" or higher) | 5 years          | 15%                             | 5%                               |
| Negotiable Certificates of Deposit issued in California        | 5 years          | 10%                             | None                             |
| Negotiable Certificates of Deposit                             | 5 years          | 30%                             | None                             |
| Local Agency Investment Fund (LAIF)                            | N/A              | None                            | None                             |
| Insured savings account or money market account                | N/A              | None                            | None                             |
| Mutual Funds   | N/A              | 15%                             | None                             |
| Restricted Real Estate Asset Sale rated "AAA" or higher        | 10 years         | 15%                             | None                             |

**D. Investments Authorized by Debt Agreements**

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**2. CASH AND INVESTMENTS, Continued**

*E. Investment Valuation*

Investments (except money market accounts that are included as part of restricted cash and investments) are measured at fair value on a recurring basis. Recurring fair value measurements are those that GASB Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments' fair value measurements are as follows at June 30, 2018:

| Investments                                 | Total Fair Value     | Fair Value Measurements Using |                     |                |
|---|----------------------|-------------------------------|---------------------|----------------|
|   |                      | Level 1 Inputs                | Level 2 Inputs      | Level 3 Inputs |
| Federal agency securities                   | \$ 2,893,196         | \$ -                          | \$ 2,893,195        | \$ -           |
| Municipal bonds                             | 94,870               | -                             | 94,870              | -              |
| Corporate notes                             | 902,329              | -                             | 902,329             | -              |
| Certificates of Deposit                     | 3,760,363            | -                             | 3,760,363           | -              |
| Mutual Funds                                | 1,584,236            | -                             | 1,584,236           | -              |
| <b>Total</b>                                | <b>9,234,994</b>     | <b>\$ -</b>                   | <b>\$ 9,234,993</b> | <b>\$ -</b>    |
| <i>Investments not subject to levelling</i> |                      |                               |                     |                |
| Money Market                                | 29,876,397           |                               |                     |                |
| Local Agency Investment Fund                | 12,236,782           |                               |                     |                |
| Caltrust                                    | 3,093,694            |                               |                     |                |
|   | <u>\$ 54,441,866</u> |                               |                     |                |

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

*F. Disclosure Relating to Interest Rate Risk*

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**2. CASH AND INVESTMENTS, Continued**

**F. Disclosure Relating to Interest Rate Risk, Continued**

The sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2018:

|                               | Remaining Maturity   |                     |                      |
|-------------------------------|----------------------|---------------------|----------------------|
|                               | 12 Months<br>or less | 1-5 years           | Fair Value           |
| Money Market                  | \$ 29,876,397        | \$ -                | \$ 29,876,397        |
| Local Agency Investment Fund  | 12,236,782           | -                   | 12,236,782           |
| Caltrust                      | 3,093,694            | -                   | 3,093,694            |
| Securities of U.S. Government |                      |                     |                      |
| Federal agency securities     | -                    | 2,893,196           | 2,893,196            |
| Municipal bonds               | -                    | 94,870              | 94,870               |
| Corporate notes               | -                    | 902,329             | 902,329              |
| Certificates of deposit       | 371,528              | 3,388,835           | 3,760,363            |
| Mutual funds                  | 1,584,236            | -                   | 1,584,236            |
| <b>Total</b>                  | <b>\$ 47,162,636</b> | <b>\$ 7,279,230</b> | <b>\$ 54,441,866</b> |

The City has no investments (including investments held by bond trustees) that are highly sensitive to interest rate fluctuations as of June 30, 2018.

**G. Disclosures Relating to Credit Risk**

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

|                               |                      | Rating as of Fiscal Year End |         |           |
|-------------------------------|----------------------|------------------------------|---------|-----------|
|                               |                      | S&P                          | Moody's | N/A       |
| Money Market                  | \$ 29,876,397        |                              |         | Not rated |
| Local Agency Investment Fund  | 12,236,782           |                              |         | Not rated |
| Caltrust                      | 3,093,694            | Aaf/S1                       |         |           |
| Securities of U.S. Government |                      |                              |         |           |
| Federal Agency Securities     | 955,981              | AA+                          | Aaa     |           |
| Federal Agency Securities     | 486,650              | AA+                          | AA2     |           |
| Federal Agency Securities     | 484,955              | AA+                          | AA3     |           |
| Federal Agency Securities     | 965,610              | AA+                          | AA4     |           |
| Corporate Notes               | 491,305              | AA+                          | Aa1     |           |
| Corporate Notes               | 411,024              | AA+                          | AA2     |           |
| Certificates of Deposit       | 3,760,363            |                              |         | Not rated |
| Municipal Bonds               | 94,870               | AA-                          | AA3     |           |
| Mutual funds                  | 1,584,236            |                              |         | Not rated |
| <b>Total</b>                  | <b>\$ 54,441,866</b> |                              |         |           |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**2. CASH AND INVESTMENTS, Continued**

**H. Disclosures Relating to Credit Risk**

Concentration of Credit Risk - The City complies with the limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments are as follows:

| Issuer                           | Investment Type           | Reported Amount |
|----------------------------------|---------------------------|-----------------|
| Federal Home Loan Banks          | Federal Agency Securities | \$ 955,981      |
| Federal National Mortgage Assn.  | Federal Agency Securities | 486,650         |
| Federal Farm Credit Banks        | Federal Agency Securities | 484,955         |
| Federal Home Loan Mortgage Corp. | Federal Agency Securities | 965,610         |
| Apple Inc.                       | Corporate Note            | 491,305         |
| Berkshire                        | Corporate Note            | 411,024         |

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

**I. Investment in State and County Investment Pools**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2018 and 2017, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

Structured Notes - are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities - the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2018, the City had \$12,336,782 invested in LAIF, which had invested 2.67% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.89% in the previous year. The LAIF fair value factor of 0.998126869 was used to calculate the fair value of the investments in LAIF.

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated quarterly based on the average ending cash balances for the previous three months in each fund receiving interest.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**3. NOTES AND LOANS RECEIVABLE**

The City engages 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 businesses, homeowners or developers who agree to spend these funds in accordance with the City's terms.

The balances of notes and loans receivable, net of allowance, has been offset in the fund financial statements by deferred inflows of resources as they are not expected to be repaid during fiscal year 2018.

These notes and loans receivable, including interest, comprised of the following at June 30, 2018 and are explained in detail below:

|                                  | Notes Receivable     | Less: Allowance for<br>Doubtful Notes |
|----------------------------------|----------------------|---------------------------------------|
| Housing Rehabilitation           | \$ 93,494            | \$ (93,494)                           |
| First Time Home-Buyer            | 443,936              | (443,936)                             |
| Bridge Housing Loan              | 971,482              | (971,482)                             |
| Alvarez Court                    | 1,654,417            | (1,654,417)                           |
| Eastbuff Apartment Loan          | 1,025,341            | (1,025,341)                           |
| Pinole Assisted Living Community | 26,193,103           | (26,193,103)                          |
| Total                            | <u>\$ 30,381,773</u> | <u>\$ (30,381,773)</u>                |

**A. Housing Rehabilitation**

The City has provided loans to various homeowners for rehabilitation of property. These loans are secured by second deeds of trust on the property and have a range of interest rates from 2% to 6% with a maximum fifteen-year term. The balance of these notes receivable totaled \$93,494 at June 30, 2018.

**B. First Time Home-Buyer**

In 1995, the City implemented a first time homebuyer program designed to encourage home ownership among low-income persons by providing down payment assistance. Under this program, loans are provided at no interest and are due upon sale or transfer of the property, refinance or payoff of the first mortgage, recordation of a third mortgage or default of the first mortgage. At the time of the loan repayment, the City shares in equity appreciation based on the City's loan share of the original purchase price. The balance of the notes receivable arising from this program at June 30, 2018 was \$443,936.

**C. Bridge Housing**

The Agency assisted Bridge Housing Corporation with its acquisition and development of the Pinole Grove Senior Housing Project by providing \$900,000 in the form of land and cash in return for a note bearing simple interest at a rate of 4% per year, secured by a deed of trust on the Project.

Principal and interest are due annually, but are payable only from surplus cash flow as defined in the note. The Project is not expected to generate a surplus cash flow and under the terms of the note, any unpaid principal and interest remaining at the expiration of the note in the year 2024 will be forgiven if Bridge Housing maintains the affordability of the project for an additional nineteen years. As of June 30, 2018, the outstanding balance was \$971,482.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**3. NOTES AND LOANS RECEIVABLE, Continued**

*D. Alvarez Court*

In August 2000, the City approved a loan of up to \$609,000 to assist the Resources for Community Development with the development of a housing project for persons with disabilities. In August 2002 the City amended the loan agreement, increasing the loan amount to \$988,000. The term of the loan is 40 years from the date of final closing by Housing and Urban Development, bearing a simple interest at a rate of 4% and is secured by first deed of trust. As of June 30, 2018, the total outstanding balance was \$1,654,417.

*E. Eastbluff Apartments*

In 1996, the Pinole Redevelopment Agency assisted Eastbluff Associates with its development of the Eastbluff Apartments by providing \$975,000 in exchange for a note. The note was renegotiated in June 1998 and is secured by a deed of trust. The note bears an annual compound interest rate of 7.5% for a term of 55 years or until the property is sold. Payments are the greater of \$63,375 per year or 50% of the surplus cash flow as defined in the terms of the Note. As of June 30, 2018, the outstanding balance was \$1,025,340.

*F. Pinole Assisted Living Community*

Pinole Assisted Living Community (PALC) is a tax-exempt non-profit corporation that constructed and operates a 72-unit-assisted-living facility for the elderly known as Pinole Valley Assisted Living. PALC is governed by a five-member Board of Directors; two of these members are City representatives.

The PALC facility is located on land leased from the Pinole Redevelopment Agency under the terms of a lease signed in 1999. The cost of the facility was borne by the City out of the proceeds of its 1999 Subordinate Tax Allocation Bonds issue. Under the terms of the PALC lease and related agreements, PALC is to reimburse the City for these costs and to pay for the lease and for emergency services rendered by the City. Unpaid amounts accrue interest at rates set forth in the agreements.

The facility was opened in early 2001, until recently occupancy rates had not reached levels that covered operating costs. As a result, PALC has made limited payments required under its lease or other agreements with the City. During the fiscal year, PALC sold the facility and paid the City the proceeds from the sale to satisfy its obligation. The PALC loan is not settled as of 6/30/2018. The City decided not to adjust the outstanding balances of the note receivable for the proceeds received until it is able to determine the legally outstanding note receivable amount based on the settlement proceeding that is still ongoing.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**3. NOTES AND LOANS RECEIVABLE, Continued**

*G. Allowance for Doubtful Notes*

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and-moderate income housing. Some of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City has provided a 100% allowance for all notes receivable subject to long-term deferral and/or payment from future refinancing as well as all notes receivable having subordination provisions, except for those accounts that have current payment activity and are not delinquent at June 30, 2018.

**4. LAND HELD FOR HOUSING**

At June 30, 2018, the City held the following properties for resale or redevelopment with a total value of \$1,222,070:

811 San Pablo Avenue

612 Tennent Avenue

2100/2150 San Pablo Avenue

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

|   | Balance<br>7/1/2017 | Additions             | Retirements | Transfers   | Balance<br>6/30/2018 |
|---|---------------------|-----------------------|-------------|-------------|----------------------|
| <b><i>Governmental activities:</i></b>        |                     |                       |             |             |                      |
| <b>Nondepreciable assets:</b>                 |                     |                       |             |             |                      |
| Land  | \$ 6,837,195        | \$ -                  | \$ -        | \$ -        | \$ 6,837,195         |
| Construction in progress                      | 4,972               | 65,254                | -           | -           | 70,226               |
| <b>Total nondepreciable assets</b>            | <b>6,842,167</b>    | <b>65,254</b>         | <b>-</b>    | <b>-</b>    | <b>6,907,421</b>     |
| <b>Capital assets being depreciated</b>       |                     |                       |             |             |                      |
| Buildings and improvements                    | 16,183,966          | 48,160                | -           | -           | 16,232,126           |
| Equipment                                     | 4,640,805           | 388,383               | -           | -           | 5,029,188            |
| Vehicles                                      | 2,935,519           | 243,697               | -           | -           | 3,179,216            |
| Streets and roads                             | 50,184,035          | -                     | -           | -           | 50,184,035           |
| Storm drains                                  | 2,829,488           | -                     | -           | -           | 2,829,488            |
| Bridges                                       | 3,117,473           | -                     | -           | -           | 3,117,473            |
| Parks   | 2,420,246           | -                     | -           | -           | 2,420,246            |
| <b>Total capital assets being depreciated</b> | <b>82,311,532</b>   | <b>680,240</b>        | <b>-</b>    | <b>-</b>    | <b>82,991,772</b>    |
| Less accumulated depreciation                 | 56,158,142          | 1,799,147             | -           | -           | 57,957,289           |
| <b>Net depreciable assets</b>                 | <b>26,153,390</b>   | <b>(1,118,907)</b>    | <b>-</b>    | <b>-</b>    | <b>25,034,483</b>    |
| <b>Total net capital assets</b>               | <b>\$32,995,557</b> | <b>\$ (1,053,653)</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$31,941,904</b>  |

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

|                        |                     |
|------------------------|---------------------|
| General administration | \$ 54,695           |
| Public safety          | 510,052             |
| Public Services        | 1,116,419           |
| Recreation             | 114,961             |
| Community development  | 3,020               |
|                        | <u>\$ 1,799,147</u> |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**5. CAPITAL ASSETS, Continued**

|  | Balance<br>7/1/2017 | Additions           | Deletions   | Transfers   | Balance<br>6/30/2018 |
|--|---------------------|---------------------|-------------|-------------|----------------------|
| <i><b>Business-type activities</b></i> |                     |                     |             |             |                      |
| <b>Nondepreciable assets:</b>          |                     |                     |             |             |                      |
| Construction in progress               | \$13,236,260        | \$ 8,133,911        | \$ -        | \$ -        | \$21,370,171         |
| <b>Total nondepreciable assets</b>     | <u>13,236,260</u>   | <u>8,133,911</u>    | <u>-</u>    | <u>-</u>    | <u>21,370,171</u>    |
| <b>Depreciable assets:</b>             |                     |                     |             |             |                      |
| Buildings and improvements             | 20,670,132          | -                   | -           | -           | 20,670,132           |
| Sewer lines                            | 7,650,185           | -                   | -           | -           | 7,650,185            |
| Equipment                              | 3,272,597           | -                   | -           | -           | 3,272,597            |
| Vehicles                               | 578,652             | -                   | -           | -           | 578,652              |
| <b>Total depreciable assets</b>        | <u>32,171,566</u>   | <u>-</u>            | <u>-</u>    | <u>-</u>    | <u>32,171,566</u>    |
| Less accumulated depreciation          | 16,390,366          | 1,029,880           | -           | -           | 17,420,246           |
| <b>Net depreciable assets</b>          | <u>15,781,200</u>   | <u>(1,029,880)</u>  | <u>-</u>    | <u>-</u>    | <u>14,751,320</u>    |
| <b>Total net capital assets</b>        | <u>\$29,017,460</u> | <u>\$ 7,104,031</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$36,121,491</u>  |

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

|                    |                     |
|--------------------|---------------------|
| Wastewater Utility | <u>\$ 1,029,880</u> |
|                    | <u>\$ 1,029,880</u> |

**6. ADVANCES TO/ADVANCES FROM PRIVATE-PURPOSE TRUST FUND**

On May 6, 2008 the City Council and former Pinole Redevelopment Agency approved a resolution for the former Pinole Redevelopment Agency to advance the City \$2,500,000 to provide sufficient working capital to address the structural deficit in the City's General Fund. The terms of the advance, as amended in April of 2011, provide for the payment of interest at the rate of 3.8% over 15 years and additional one-year deferral of commencement of payments to fiscal year 2014. The agreement terms allow for a capitalized interest payment deferral period of three years followed by amortization of the principal and interest in equal annual payments of \$263,300 for the succeeding twelve years. As of June 30, 2018 the balance outstanding on the advance was \$1,592,071

An advance of \$4,291,575 from the Housing Program Fund was to assist the Successor Agency with administrative, operation, and program cost.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**7. LONG-TERM LIABILITIES**

**A. Governmental Activities**

The following is a summary of changes in the City's long-term liabilities related to governmental activities for the fiscal year ended June 30, 2018:

|   | Balance<br>June 30, 2017 | Addition          | Retirements         | Balance<br>June 30, 2018 | Current<br>Portion |
|---|--------------------------|-------------------|---------------------|--------------------------|--------------------|
| <b>Governmental Activity Debt:</b>      |                          |                   |                     |                          |                    |
| 2006 Pension Obligation Bond            | \$ 3,686,615             | \$ -              | \$ (250,440)        | \$ 3,436,175             | \$ 241,322         |
| Capital Lease Obligations               | 294,724                  | -                 | (111,234)           | 183,490                  | 114,795            |
| Compensated Absences                    | 598,774                  | 599,070           | (541,214)           | 656,630                  | 86,708             |
| <b>Total Governmental Activity Debt</b> | <b>\$ 4,580,113</b>      | <b>\$ 599,070</b> | <b>\$ (902,888)</b> | <b>\$ 4,276,295</b>      | <b>\$ 442,825</b>  |

A description of the long-term liabilities related to governmental activities at June 30, 2018 follows:

Pension Obligation Bonds

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

| Year Ending<br>June 30, | 2006 Pension Obligation Bond |                     |
|-------------------------|------------------------------|---------------------|
|                         | Principal                    | Interest            |
| 2019                    | \$ 241,322                   | \$ 278,678          |
| 2020                    | 233,014                      | 301,986             |
| 2021                    | 227,389                      | 327,611             |
| 2022                    | 221,565                      | 353,435             |
| 2023                    | 215,586                      | 379,414             |
| 2024-2028               | 984,628                      | 2,285,372           |
| 2029-2033               | 854,456                      | 2,985,544           |
| 2034-2036               | 458,216                      | 2,161,784           |
| Total                   | <b>\$ 3,436,175</b>          | <b>\$ 9,073,825</b> |
| Due within one year     | \$ 241,322                   | \$ 278,678          |
| Due after one year      | 3,194,854                    | 8,795,146           |
| Total                   | <b>\$ 3,436,175</b>          | <b>\$ 9,073,825</b> |

Capital Lease Obligations

The City has entered into lease agreements as lessee for financing the acquisition of capital assets. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of inception date.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**7. LONG-TERM LIABILITIES, Continued**

**A. Governmental Activities, Continued**

The assets acquired through the capital lease for governmental activities are as follows:

|                                |                  |
|--------------------------------|------------------|
| Equipment                      | \$ 402,514       |
| Less: Accumulated amortization | <u>(219,024)</u> |
| Net Book Value                 | <u>183,490</u>   |

Future annual payments on capitalized lease obligations are as follows:

| Year Ending<br>June 30, | Capital Leases    |                 |
|-------------------------|-------------------|-----------------|
|                         | Principal         | Interest        |
| 2019                    | \$ 114,795        | \$ 5,420        |
| 2020                    | 68,695            | 1,738           |
| Total                   | <u>\$ 183,490</u> | <u>\$ 7,158</u> |
| Due within one year     | \$ 114,795        | \$ 5,420        |
| Due after one year      | 68,695            | 1,738           |
| Total                   | <u>\$ 183,490</u> | <u>\$ 7,158</u> |

Compensated Absences

Compensated absences comprise unused vacation leave and compensatory time off, which are accrued as earned. No compensation is payable for sick leave. The City's liability for compensated absences is recorded in various governmental funds as appropriate. The liability for compensated absences is determined annually.

The net changes of the long-term portion of accrued vacation and sick leave liabilities are allocated among departments on the statement of activities as follows:

|                        | Balance<br>June 30, 2017 | Additions         | Retirements         | Balance<br>June 30, 2018 | Current<br>Portion |   |
|------------------------|--------------------------|-------------------|---------------------|--------------------------|--------------------|---|
| General Administration | \$ 91,612                | \$ 77,251         | \$ (49,943)         | \$ 118,920               | \$ 9,769           | A |
| Public Safety          | 356,993                  | 416,855           | (403,339)           | 370,509                  | 57,160             | A |
| Public Services        | 94,068                   | 64,798            | (48,934)            | 109,932                  | 8,914              | B |
| Recreation             | 30,985                   | 26,871            | (29,027)            | 28,829                   | 7,254              | B |
| Community Development  | 25,116                   | 13,295            | (9,971)             | 28,440                   | 3,611              | B |
| <b>Total</b>           | <u>\$ 598,774</u>        | <u>\$ 599,070</u> | <u>\$ (541,214)</u> | <u>\$ 656,630</u>        | <u>\$ 86,708</u>   |   |

The following funds have been used to liquidate compensated absences:

A -General Fund B- Non-Major Funds

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**7. LONG-TERM LIABILITIES, Continued**

**B. Business-type Activities**

The following is a summary of changes in the City's long-term liabilities related to business-type activities for the fiscal year ended June 30, 2018.

|  | Balance<br>June 30, 2017 | Addition            | Retirements         | Balance<br>June 30, 2018 | Current<br>Portion |
|--|--------------------------|---------------------|---------------------|--------------------------|--------------------|
| <b>Business-type Activity Debt:</b>      |                          |                     |                     |                          |                    |
| 2016 Wastewater Revenue Refunding Bond   | \$ 7,866,000             | \$ -                | \$ (290,000)        | \$ 7,576,000             | \$ 298,000         |
| 2016 Clean Water State Revolving Fund    | 6,786,599                | 8,377,758           | -                   | 15,164,357               | -                  |
| Compensated Absences                     | 118,347                  | 112,530             | (98,399)            | 132,478                  | 15,119             |
| <b>Total Business-Type Activity Debt</b> | <b>\$ 14,652,599</b>     | <b>\$ 8,377,758</b> | <b>\$ (290,000)</b> | <b>\$ 22,740,357</b>     | <b>\$ 298,000</b>  |

A description of the long-term liabilities related to business-type activities at June 30, 2018 is as follows:

2016 Wastewater Revenue Refunding Bonds

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

| Year Ending<br>June 30, | 2016 Wastewater Revenue |                     |
|-------------------------|-------------------------|---------------------|
|                         | Principal               | Interest            |
| 2019                    | \$ 298,000              | \$ 219,097          |
| 2020                    | 310,000                 | 210,129             |
| 2021                    | 318,000                 | 200,866             |
| 2022                    | 329,000                 | 191,322             |
| 2023                    | 341,000                 | 181,440             |
| 2014-2028               | 1,857,000               | 748,489             |
| 2029-2033               | 2,150,000               | 453,504             |
| 2034-2037               | 1,973,000               | 118,634             |
| Total                   | <b>\$ 7,576,000</b>     | <b>\$ 2,323,479</b> |
| Due within one year     | \$ 298,000              | \$ 219,097          |
| Due after one year      | 7,278,000               | 2,104,383           |
| Total                   | <b>\$ 7,576,000</b>     | <b>\$ 2,323,479</b> |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**7. LONG-TERM LIABILITIES, Continued**

**B. Business-type Activities, Continued**

2016 Clean Water State Revolving Fund

In May 2016, the City entered into a loan agreement with the State of California Water Resources Control Board to provide funding for its 50% share of upgrades to the Pinole-Hercules Wastewater Pollution Control Plant to achieve compliance with Regional Water Quality Board NPDES. Funds are drawn on the agreement as work is completed up to a maximum amount of \$26.7 million plus any construction period interest. The loan accrues interest at a rate of 1.7 percent annually. Annual principal payments are due each August 31, commencing August 31, 2019. Final payment is due August 2048. Net revenues, defined as all sewer enterprise fund revenues less operations and maintenance costs (excluding depreciation and amortization expenses), is pledged for future debt service. For the year ended June 30, 2018 the City incurred a total cost of \$8,377,758, and submitted a drawdown request for this amount. As such, at June 30, 2018, the total debt outstanding on the loan is \$15,164,357.

| Year Ending<br>June 30, | 2016 Clean Water State Revolving |                     |
|-------------------------|----------------------------------|---------------------|
|                         | Principal                        | Interest            |
| 2020                    | \$ 354,750                       | \$ 200,819          |
| 2021                    | 407,962                          | 231,102             |
| 2022                    | 406,192                          | 244,506             |
| 2023                    | 412,775                          | 237,923             |
| 2024                    | 419,793                          | 230,906             |
| 2025-2029               | 2,208,468                        | 1,045,023           |
| 2030-2034               | 2,402,679                        | 850,811             |
| 2035-2039               | 2,613,970                        | 639,521             |
| 2040-2044               | 2,843,841                        | 409,649             |
| 2045-2048               | 3,093,927                        | 159,563             |
| Total                   | <u>\$ 15,164,357</u>             | <u>\$ 4,249,823</u> |

**8. INTERFUND TRANSACTIONS**

**A. Interfund Transfers to/from Other Funds**

Transfers between funds during the fiscal year ended June 30, 2018 were as follows:

| Transfer From | Transfer To                          | Description of Transfer                  | Amount            |
|---------------|--------------------------------------|--|-------------------|
| General Fund  | Lighting & Landscape Districts       | Fund Business Assistance Program         | \$ 5,000          |
| General Fund  | Cable Television Fund                | Cable TV contribution                    | 29,095            |
| General Fund  | Arterial Streets Rehabilitation Fund | Fund portion of Arterial Streets project | 250,000           |
| General Fund  | City Street Improvements Fund        | Fund future street projects              | 225,000           |
| General Fund  | Recreation Fund                      | Swim Center contribution                 | 33,888            |
| General Fund  | Fire Department Grant Fund           | Grant reimbursements                     | 228,943           |
| General Fund  | Cable Access TV Fund                 | Cable TV contribution                    | 55,000            |
|               |                                      |  | <u>\$ 826,926</u> |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**8. INTERFUND TRANSACTIONS, Continued**

**A. Interfund Transfers to/from Other Funds, Continued**

Intra-fund transfers are not presented on the Statement of Revenues, Expenditures, and Changes in Fund Balance for the governmental funds as they are presented on a net basis.

**B. Due to/from Other Funds**

Current interfund balances arise from one fund advancing monies to another fund with the intent of being repaid in the next fiscal year. The composition of interfund balances at June 30, 2018, is as follows:

| <u>Due To</u>                           | <u>Due From</u>                       | <u>Description of Due From/Due to</u>               | <u>Amount</u>     |
|---|---------------------------------------|---|-------------------|
| <u>Major Governmental Funds</u>         |                                       |   |                   |
| General Fund                            | Police Grants Fund                    | Deficit cash balance                                | \$ 114,014        |
| General Fund                            | Storm Water Fund                      | Deficit cash balance                                | 21,058            |
| General Fund                            | Public Works Capital<br>Projects Fund | Deficit cash balance                                | 420,946           |
| General Fund                            | Cable TV Fund                         | Deficit cash balance                                | 87,522            |
|   |                                       | <b>Total Major Governmental due<br/>From/Due To</b> | <u>643,540</u>    |
| <u>Non-Major Governmental<br/>Funds</u> |                                       |   |                   |
| Public Works Capital<br>Projects Fund   | Growth Impact Fund                    | Deficit cash balance                                | 9,113             |
|   |                                       | <b>Total Non-Major Governmental<br/>Due From/To</b> | <u>9,113</u>      |
|   |                                       | <b>Totals Governmental Due<br/>From/Due To</b>      | <u>\$ 652,653</u> |

**9. DEFINED BENEFIT PENSION PLAN**

**A. General Information about the Pension Plans**

*Plan Description* - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors five rate plans (two miscellaneous and three safety).

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**9. DEFINED BENEFIT PENSION PLAN, Continued**

**A. General Information about the Pension Plans, Continued**

Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

*Benefits Provided* - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (age 52 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non- duty disability benefits after 5 years of service. The death benefit is one of the following: the Special Death Benefit (Safety only), the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan provisions and benefits in effect for the year ended June 30, 2018, are summarized as follows:

|  | Miscellaneous-Classic       | Miscellaneous-PEPRA         |
|--|-----------------------------|-----------------------------|
| Hire Date                                      | Prior to July 1, 2013       | On or after July 1, 2013    |
| Benefit vesting schedule                       | 5 years service             | 5 years service             |
| Benefit payment                                | Monthly for life            | Monthly for life            |
| Retirement age                                 | 55                          | 62                          |
| Monthly benefits, as a % of annual salary      | 2.5%                        | 2.0%                        |
| Required employee contribution rates           | 8.00%                       | 6.250%                      |
| Required employer contribution rates*          | 10.110%                     | 6.533%                      |
| Required UAL payment                           | \$ 702,357                  | \$ 1,433                    |
|  | Safety -Classic             | Safety -PEPRA (Fire)        |
| Hire Date                                      | Prior to July 1, 2013       | On or after January 1, 2013 |
| Benefit vesting schedule                       | 5 years service             | 5 years service             |
| Benefit payments                               | Monthly for life            | Monthly for life            |
| Retirement age                                 | 55                          | 57                          |
| Monthly benefits, as a % of annual salary      | 3.0%                        | 2.7%                        |
| Required employee contribution rates           | 9.000%                      | 11.500%                     |
| Required employer contribution rates (Police)* | 17.875%                     | 11.990%                     |
| Required UAL payment (Police)                  | \$ 709,280                  | \$ 1,534                    |
|  | Safety -PEPRA (Police)      |                             |
| Hire Date                                      | On or after January 1, 2013 |                             |
| Benefit vesting schedule                       | 5 years service             |                             |
| Benefit payments                               | Monthly for life            |                             |
| Retirement age                                 | 57                          |                             |
| Monthly benefits, as a % of annual salary      | 2.7%                        |                             |
| Required employee contribution rates           | 11.500%                     |                             |
| Required employer contribution rates (Police)* | 11.990%                     |                             |
| Required UAL payment (Police)                  | \$ 1,621                    |                             |

\* The employer contribution rate reflects the employer's normal cost rate and does not include unfunded accrued liability.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**9. DEFINED BENEFIT PENSION PLAN, Continued**

**A. General Information about the Pension Plans, Continued**

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.

The City's contribution to the Plan for the measurement period ended June 30, 2017 was \$2,067,225.

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

As of June 30, 2018, the City reported net pension liability for its proportionate share of the net pension liability of the Plan of \$31,369,644.

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, 2017, 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, 2016 rolled forward to June 30, 2017 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

|                              |                  |
|------------------------------|------------------|
| Proportion - June 30, 2016   | 0.31346 %        |
| Proportion - June 30, 2017   | <u>0.31631 %</u> |
| Change - Increase (Decrease) | 0.00286 %        |

For the year ended June 30, 2018, the City recognized pension expense of \$3,574,751. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                              | \$ 2,298,114                         | \$ -                             |
| Differences between actual and expected experience                                | -                                    | 62,428                           |
| Changes in assumptions  | 4,685,424                            | 358,581                          |
| Net differences between projected and actual earnings on plan investments         | 1,037,050                            | -                                |
| Change in employer's proportion   | 329,573                              | 503,519                          |
| Differences between actual contributions and proportionate share of contributions | -                                    | <u>1,337,201</u>                 |
| Total   | <u>\$ 8,350,161</u>                  | <u>\$ 2,261,729</u>              |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**9. DEFINED BENEFIT PENSION PLAN, Continued**

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

\$2,298,114 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

|  | Fiscal Year     |               |
|--|-----------------|---------------|
|  | Ending June 30: | Miscellaneous |
|  | 2019            | \$ 331,271    |
|  | 2020            | 2,529,470     |
|  | 2021            | 1,540,083     |
|  | 2022            | (610,506)     |

Actuarial Assumptions- The total pension liabilities in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

|                                  |   |
|----------------------------------|---|
| Valuation Date                   | June 30, 2016   |
| Measurement Date                 | June 30, 2017   |
| Actuarial Cost Method            | Entry-Age Normal Cost Method  |
| Actuarial Assumptions:           |   |
| Discount Rate                    | 7.15%   |
| Inflation                        | 2.75%   |
| Salary Increases                 | Varies by Entry Age and Service   |
| Projected Salary Increase        | 3.3% - 14.2%  |
| Investment Rate of Return (1)    | 7.15%   |
| Mortality (2)                    | Derived using CalPERS' Membership Data for all Funds  |
| Post Retirement Benefit Increase | Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter |

(1) Net of pension plan investment expenses.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions - There were no changes of assumptions during the measurement period ended June 30, 2017. Deferred inflows of resources for changes in assumptions presented in the deferred outflows/inflows table above represents the portion of the changes of assumptions related to prior measurement periods.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**9. DEFINED BENEFIT PENSION PLAN, Continued**

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

Discount Rate - The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective July 1, 2015.

| Asset Class                   | New Strategic Allocation | Real Return Years 1 - 10(a) | Real Return Years 11+(b) |
|-------------------------------|--------------------------|-----------------------------|--------------------------|
| Global Equity                 | 47.00%                   | 4.90%                       | 5.38%                    |
| Global Fixed Income           | 19.00%                   | 0.80%                       | 2.27%                    |
| Inflation Sensitive           | 6.00%                    | 0.60%                       | 1.39%                    |
| Private Equity                | 12.00%                   | 6.60%                       | 6.63%                    |
| Real Estate                   | 11.00%                   | 2.80%                       | 5.21%                    |
| Infrastructure and Forestland | 3.00%                    | 3.90%                       | 5.36%                    |
| Liquidity                     | 2.00%                    | -0.40%                      | -0.90%                   |
| Total                         | <u>100%</u>              |                             |                          |

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**9. DEFINED BENEFIT PENSION PLAN, Continued**

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                       |    |            |
|-----------------------|----|------------|
| 1% Decrease           |    | 6.15%      |
| Net Pension Liability | \$ | 46,834,455 |
| Current Discount Rate |    | 7.15%      |
| Net Pension Liability | \$ | 31,369,644 |
| 1% Increase           |    | 8.15%      |
| Net Pension Liability | \$ | 18,660,414 |

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

Payables to the Pension Plan - At June 30, 2018, the City reported \$0 for outstanding amounts of contributions for either the CalPERS Miscellaneous Cost Sharing Multiple-Employer Plan or the CalPERS Safety Cost Sharing Multiple-Employer Plan.

**10. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

**A. Description of the Plan**

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

**B. Employees Covered**

The City currently pays health insurance premiums of \$1,907 per month per family. For the year ended June 30, 2018, the City had 95 retired employees. The City currently has 82 active employees who may become eligible to retire and receive benefits in the future. Eligibility requirements include retirement directly from the City under CalPERS at age 55 years CalPERS service or disability.

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 83         |
| Inactive entitled to but not yet receiving benefits              | 12         |
| Active employees   | 82         |
| Total  | <u>177</u> |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

*C. Contributions*

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

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

***D. Net OPEB Liability***

The City's net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date.

|   |  |
|---|--|
| Valuation Date  | June 30, 2017  |
| Measurement Date  | June 30, 2017  |
| Actuarial Cost Method   | Entry-Age Normal Cost Method   |
| Actuarial Assumptions:  |  |
| Discount Rate   | 3.58% at June 30, 2017   |
| Inflation   | 2.75% annually   |
| Salary Increases  | 3% - Aggregated  |
| Mortality, Retirement, Disability, Termination <sup>(1)</sup> | CalPERS 1997-2015 Experience Study   |
| Mortality Improvement   | Mortality projected fully generational with Scale MP-17 for post-retirement mortality  |
| Healthcare cost trend rates:                                  | Non-Medicare - 7.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years<br>Medicare - 6.5% for 2019, decreasing to an ultimate rate of 4.0% in 2076 and later years |

***E. Discount Rate***

The discount rate used to measure the total OPEB liability was 3.58%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

*F. Changes in the Total OPEB Liability*

|   | Total OPEB<br>Liability |
|---|-------------------------|
| Balance at June 30, 2016                | \$ 38,610,000           |
| Changes in the year:                    |                         |
| Service cost                            | 1,472,000               |
| Interest on the total pension liability | 1,128,000               |
| Changes in assumptions                  | (4,636,000)             |
| Benefit payments                        | (986,000)               |
| Net changes                             | (3,022,000)             |
| Balance at June 30, 2017                | \$ 35,588,000           |

*Sensitivity of the Total OPEB liability to Changes in the Discount Rate* – The following presents the total OPEB liability of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City’s total OPEB 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:

|                               |               |
|-------------------------------|---------------|
| 1% Decrease - 2.58%           |               |
| Total OPEB liability          | \$ 42,179,000 |
| Current Discount Rate - 3.58% |               |
| Total OPEB liability          | \$ 35,588,000 |
| 1% Increase - 4.58%           |               |
| Total OPEB liability          | \$ 30,481,000 |

*F. Changes in the Total OPEB Liability, Continued*

*Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rate* – The following presents the total OPEB liability of the City for the Plan, calculated using the healthcare cost trend rate for the Plan, as well as what the City’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                               |               |
|-------------------------------|---------------|
| 1% Decrease                   |               |
| Total OPEB liability          | \$ 30,180,000 |
| Current Healthcare Trend Rate |               |
| Total OPEB liability          | \$ 35,588,000 |
| 1% Increase                   |               |
| Total OPEB liability          | \$ 42,568,000 |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**10. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued**

*G. Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The recognition period differs depending on the source of the gain or loss:

|             |   |
|-------------|---|
| All amounts | Expected average remaining service lifetime (EARSL)<br>(5.5 years at June 30, 2017) |
|-------------|---|

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

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$314,681. For the fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

|   | Deferred Outflows<br>of Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| OPEB contributions subsequent to measurement date | \$ 1,174,000                      | \$ -                             |
| Changes in assumptions                            | -                                 | 3,793,000                        |
| <b>Total</b>                                      | <b>\$ 1,174,000</b>               | <b>\$ 3,793,000</b>              |

*H. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB, Continued*

The \$1,174,000 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2017 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

| Fiscal Year<br>Ending June 30: | Deferred<br>Outflows/(Inflows) of |
|--------------------------------|-----------------------------------|
| 2019                           | \$ (843,000)                      |
| 2020                           | (843,000)                         |
| 2021                           | (843,000)                         |
| 2022                           | (843,000)                         |
| 2023                           | (421,000)                         |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**11. FUND BALANCE**

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

The City of Pinole has established the following fund balance policies:

**Committed Fund Balance:** Only the City Council may have the authority to create or change a fund balance commitment. Commitments may be changed or lifted only by the City Council taking the same formal action that imposed the constraint originally.

**Assigned Fund Balance:** Amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, should be reported as assigned fund balance. The policy hereby delegates the authority to assign amounts to be used for specific purposes to the City Manager and the Finance Director for the purpose of reporting these amounts in the annual financial statements.

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**11. FUND BALANCE, Continued**

As of June 30, 2018, fund balances consisted of the following:

|                                     | General<br>Fund      | Housing<br>Programs  | Other<br>Government<br>Funds | Total                |
|-------------------------------------|----------------------|----------------------|------------------------------|----------------------|
| Fund Balances                       |                      |                      |                              |                      |
| <b>Nonspendable fund balance:</b>   |                      |                      |                              |                      |
| Inventory                           | \$ 12,669            | \$ -                 | \$ -                         | \$ 12,669            |
| Total Nonspendable                  | <u>12,669</u>        | <u>-</u>             | <u>-</u>                     | <u>12,669</u>        |
| <b>Restricted fund balance for:</b> |                      |                      |                              |                      |
| Housing Redevelopment               | -                    | 13,944,760           | -                            | 13,944,760           |
| Real estate maintenance             | 133,586              | -                    | -                            | 133,586              |
| Police                              | -                    | -                    | 579,754                      | 579,754              |
| Gas Tax                             | -                    | -                    | 441,358                      | 441,358              |
| Measure C                           | -                    | -                    | 1,254,869                    | 1,254,869            |
| Parkland Dedication                 | -                    | -                    | 24,608                       | 24,608               |
| Refuse Management                   | -                    | -                    | 646,729                      | 646,729              |
| Storm Water                         | -                    | -                    | 100,502                      | 100,502              |
| Capital projects                    | -                    | -                    | 288,016                      | 288,016              |
| Solid Waste                         | -                    | -                    | 833,364                      | 833,364              |
| CASP Certification                  | -                    | -                    | 6,178                        | 6,178                |
| Adjudicated Asset Seizure           | -                    | -                    | 130,814                      | 130,814              |
| Total Restricted                    | <u>133,586</u>       | <u>13,944,760</u>    | <u>4,306,192</u>             | <u>18,384,538</u>    |
| <b>Assigned fund balance for:</b>   |                      |                      |                              |                      |
| Capital projects                    | -                    | -                    | 1,524,712                    | 1,524,712            |
| General reserve                     | 2,385,489            | -                    | -                            | 2,385,489            |
| Equipment reserve                   | 146,188              | -                    | -                            | 146,188              |
| Police                              | -                    | -                    | 15,996                       | 15,996               |
| Recreation                          | -                    | -                    | 64,127                       | 64,127               |
| Building & Planning                 | -                    | -                    | 761,594                      | 761,594              |
| Total Committed                     | <u>2,531,677</u>     | <u>-</u>             | <u>2,366,429</u>             | <u>4,898,106</u>     |
| <b>Unassigned fund balance</b>      |                      |                      |                              |                      |
| Minimum fund balance reserve        | 23,249,204           | -                    | (43,673)                     | 23,205,531           |
|                                     | <u>23,249,204</u>    | <u>-</u>             | <u>(43,673)</u>              | <u>23,205,531</u>    |
| <b>Total Fund Balances</b>          | <u>\$ 25,927,136</u> | <u>\$ 13,944,760</u> | <u>\$ 6,628,948</u>          | <u>\$ 46,500,844</u> |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**12. RISK MANAGEMENT**

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

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

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

| Type of Coverage (Deductible)  | Coverage Limits |
|--|-----------------|
| Liability (\$25,000) including errors and omissions for Public Officials | \$ 29,000,000   |
| All Risk Fire and Property (\$5,000)                                     | 1,000,000,000   |
| Workers' Compensation (no deductible)                                    | 50,000,000      |
| Vehicle Physical Damage (\$3,000 for police, \$2,000 all others)         | 250,000         |

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

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

During the fiscal year ended June 30, 2018, the City contributed \$907,000 for coverage.

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

**13. DEFICIT FUND BALANCES AND NET POSITION**

As of June 30, 2018, the following funds had a fund deficit:

| Fund                 | Deficit    |
|----------------------|------------|
| Growth Impact        | \$ (9,112) |
| Cable TV             | (31,535)   |
| Development Services | (3,026)    |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

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

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

**A. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2018 was as follows:

|  | Balance at<br>July 1, 2017 | Additions    | Balance at<br>June 30, 2018 |
|--|----------------------------|--------------|-----------------------------|
| Fiduciary Activities:                      |                            |              |                             |
| Capital assets not being depreciated       |                            |              |                             |
| Land                                       | 2,562,445                  | -            | 2,562,445                   |
| Total capital assets not being depreciated | 2,562,445                  | -            | 2,562,445                   |
| Capital assets being depreciated           |                            |              |                             |
| Buildings and improvements                 | 9,583,453                  | -            | 9,583,453                   |
| Equipment                                  | 224,867                    | -            | 224,867                     |
| Vehicles                                   | 44,631                     | -            | 44,631                      |
| Streets and roads                          | 4,307,631                  | -            | 4,307,631                   |
| Storm drains                               | 51,511                     | -            | 51,511                      |
| Bridges                                    | 433,276                    | -            | 433,276                     |
| parks                                      | 107,013                    | -            | 107,013                     |
| Total capital assets being depreciated     | 14,752,382                 | -            | 14,752,382                  |
| Less accumulated depreciation              | (4,620,180)                | (284,454)    | (4,904,634)                 |
| Fiduciary activities capital assets, net   | \$ 12,694,647              | \$ (284,454) | \$ 12,410,193               |

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

**B. Long-term Liabilities**

The following is a summary of changes in the Agency's long-term liabilities related to governmental activities for the fiscal year ended June 30, 2018:

|  | Balance at<br>July 1, 2017 | Additions   | Reductions            | Balance at<br>June 30, 2018 | Current<br>Portion  |
|--|----------------------------|-------------|-----------------------|-----------------------------|---------------------|
| Tax Allocation Bonds:                      |                            |             |                       |                             |                     |
| 2015 Series A Bonds                        | \$ 18,065,000              | \$ -        | \$ (1,680,000)        | \$ 16,385,000               | \$ 380,000          |
| 2015 Series B Bonds                        | 9,165,000                  | -           | (1,945,000)           | 7,220,000                   | 3,385,000           |
| Total capital assets not being depreciated | <u>27,230,000</u>          | <u>-</u>    | <u>(3,625,000)</u>    | <u>23,605,000</u>           | <u>3,765,000</u>    |
| Mortgages:                                 |                            |             |                       |                             |                     |
| 613 Tennent Avenue                         | 37,137                     | -           | (37,137)              | -                           | -                   |
| 648 Tennent Avenue                         | 11,084                     | -           | (11,084)              | -                           | -                   |
| 612 Tennent Avenue                         | 33,497                     | -           | (33,497)              | -                           | -                   |
| Total Mortgages                            | <u>81,718</u>              | <u>-</u>    | <u>(81,718)</u>       | <u>-</u>                    | <u>-</u>            |
| Fiduciary activities capital assets, net   | <u>\$ 27,311,718</u>       | <u>\$ -</u> | <u>\$ (3,706,718)</u> | <u>\$ 23,605,000</u>        | <u>\$ 3,765,000</u> |

A description of the long-term liabilities related to fiduciary activities at June 30, 2018 follows:

**Bonds Payable**

On August 6, 2015, the Successor Agency to the Pinole Redevelopment Agency issued \$29,735,000 of tax allocation refunding bonds to redeem bonds held by the former Pinole Redevelopment Agency (1998A, 1998B, 1999, 2003A, 2003B, 2004 (Housing), 2004B (2<sup>nd</sup> Subordinate), 2004A (2<sup>nd</sup> Subordinate), 2004A (3<sup>rd</sup> Subordinate). The 2015A Tax Allocation Refunding Bond (Tax-Exempt) in the amount of \$19,810,000 bears an interest rate of 2.270% which is payable semi-annually on February 1 and August 1 of each year through 2023. Principal payments are due annually on August 1 through 2023. The 2015B Tax Allocation Refunding Bond (Taxable) bears an interest rate of 2.340% which is payable semi-annually on February 1 and August 1 of each year through 2020. Principal payments are due annually on August 1 through 2020.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**14. SUCCESSOR AGENCY PRIVATE PURPOSE TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY, Continued**

*B. Long-term Liabilities, Continued*

**Bonds Payable, continued**

2015 Series A Tax Allocation Bond

Debt service requirements are shown below for bonds payable long-term debt:

|       | <u>For the Year Ending, June 30</u> | <u>Principal</u>    | <u>Interest</u> |
|-------|-------------------------------------|---------------------|-----------------|
| 2019  | \$ 380,000                          | \$ 367,627          |                 |
| 2020  | 1,430,000                           | 347,083             |                 |
| 2021  | 2,660,000                           | 300,661             |                 |
| 2022  | 4,125,000                           | 223,652             |                 |
| 2023  | 4,220,000                           | 128,936             |                 |
| 2024  | 3,570,000                           | 40,520              |                 |
| Total | <u>\$ 16,385,000</u>                | <u>\$ 1,408,479</u> |                 |

2015 Series B Tax Allocation Bond

Debt service requirements are shown below for bonds payable long-term debt:

|       | <u>For the Year Ending, June 30</u> | <u>Principal</u>  | <u>Interest</u> |
|-------|-------------------------------------|-------------------|-----------------|
| 2019  | \$ 3,385,000                        | \$ 129,344        |                 |
| 2020  | 3,460,000                           | 49,258            |                 |
| 2021  | 375,000                             | 4,387             |                 |
| 2022  | -                                   | 4,387             |                 |
| Total | <u>\$ 7,220,000</u>                 | <u>\$ 187,376</u> |                 |

**Mortgage Payable**

In September 2002, the former RDA acquired the property adjacent to Memorial Hall at Tennent Avenue for \$650,000 to construct a community center in Old Town Pinole with indoor access to the Memorial Hall. The entire purchase price was carried back by the sellers in a note. Principal and interest on the note at 6.5% are due semi-annually for fifteen years in March and September. The mortgages have been paid off as of June 30, 2018.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**15. CONTINGENCIES AND COMMITMENTS**

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

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

**16. PRIOR PERIOD ADJUSTMENT**

The City recorded a prior period adjustment to eliminate the previously reported net OPEB asset, and to recognize deferred outflows of resources and net OPEB liability as of June 30, 2017.

|                            | Net Position, as<br>Previously Reported<br>at June 30, 2017 | Prior Period Adjustments                   |                        |                       | Net Position, as<br>Restated at<br>June 30, 2017 |
|----------------------------|---|--|------------------------|-----------------------|--|
|                            |   | Deferred<br>Employer OPEB<br>Contributions | Net OPEB<br>Obligation | Net OPEB<br>Liability |  |
| Government-Wide Statements |   |  |                        |                       |  |
| Governmental Activities    | \$ 19,307,804   | \$ 887,400                                 | \$ 17,495,525          | \$ (34,749,000)       | \$ 2,941,729                                     |
| Business-type Activities   | \$ 20,013,970   | \$ 98,600                                  | \$ 1,981,763           | \$ (3,861,000)        | \$ 18,233,333                                    |

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### General Fund

For the year ended June 30, 2018

|   | Budget Amounts      |                     | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|----------------------|---|
|   | Original            | Final               |                      |   |
| <b>REVENUES:</b>                            |                     |                     |                      |   |
| Taxes and assessments                       | \$ 14,053,359       | \$ 14,406,011       | \$ 16,363,136        | \$ 1,957,125  |
| Intergovernmental revenues                  | 122,582             | 116,037             | 79,426               | (36,611)  |
| Contributions                               | -                   | -                   | 5,950                | 5,950   |
| Investment earnings                         | 57,000              | 60,400              | 48,384               | (12,016)  |
| Rents and ground leases                     | 115,450             | 131,027             | 102,811              | (28,216)  |
| Charges for services                        | 2,933,408           | 2,979,313           | 3,220,215            | 240,902   |
| Fines, forfeitures and penalties            | 54,050              | 54,050              | 41,279               | (12,771)  |
| Other revenues                              | 12,000              | 106,151             | 255,183              | 149,032   |
| <b>Total revenues</b>                       | <b>17,347,849</b>   | <b>17,852,989</b>   | <b>20,116,384</b>    | <b>2,263,395</b>  |
| <b>EXPENDITURES:</b>                        |                     |                     |                      |   |
| Current:                                    |                     |                     |                      |   |
| General administration                      | 2,983,109           | 3,090,609           | 2,941,569            | (149,040)   |
| Public safety                               | 10,395,269          | 10,704,531          | 9,678,926            | (1,025,605)   |
| Public works                                | 1,124,013           | 1,126,113           | 906,391              | (219,722)   |
| Recreation                                  | 7,000               | 7,000               | 8,458                | 1,458   |
| Community development                       | 72,467              | 72,467              | 8,206                | (64,261)  |
| Capital outlay                              | 374,138             | 874,998             | 849,845              | (25,153)  |
| Debt service:                               |                     |                     |                      |   |
| Principal                                   | 579,087             | 579,087             | 361,674              | (217,413)   |
| Interest and fiscal charges                 | 259,646             | 259,646             | 331,464              | 71,818  |
| <b>Total expenditures</b>                   | <b>15,794,729</b>   | <b>16,714,451</b>   | <b>15,086,533</b>    | <b>(1,627,918)</b>                                      |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>1,553,120</b>    | <b>1,138,538</b>    | <b>5,029,851</b>     | <b>3,891,313</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |                      |   |
| Proceeds from sale of asset                 | 10,000              | 11,750              | 10,017,210           | 10,005,460  |
| Transfers out                               | 1,090,566           | 1,108,566           | (826,926)            | 1,935,492   |
| <b>Total other financing sources (uses)</b> | <b>1,100,566</b>    | <b>1,120,316</b>    | <b>9,190,284</b>     | <b>11,940,952</b>                                       |
| <b>Net change in fund balances</b>          | <b>\$ 2,653,686</b> | <b>\$ 2,258,854</b> | <b>14,220,135</b>    | <b>\$ 15,832,265</b>                                    |
| <b>FUND BALANCES:</b>                       |                     |                     |                      |   |
| Beginning of year                           |                     |                     | 11,707,001           |   |
| End of year                                 |                     |                     | <u>\$ 25,927,136</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Housing Programs Special Revenue Fund

For the year ended June 30, 2018

|   | Budget Amounts     |                     | Actual<br>Amounts    | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|---------------------|----------------------|---|
|   | Original           | Final               |                      |   |
| <b>REVENUES:</b>                            |                    |                     |                      |   |
| Taxes and assessments                       | \$ -               | \$ -                | \$ -                 | \$ -  |
| Intergovernmental revenues                  | -                  | -                   | -                    | -   |
| Loan Repayments                             | (81,000)           | (81,000)            | 15,023               | 96,023  |
| Contributions                               | -                  | -                   | -                    | -   |
| Investment earnings                         | 75,000             | 75,000              | 13,610               | (61,390)  |
| Rents and ground leases                     | 72,253             | 72,253              | 72,253               | -   |
| Charges for services                        | -                  | 4,700               | 4,700                | -   |
| Fines, forfeitures and penalties            | -                  | -                   | -                    | -   |
| Other revenues                              | 35,000             | 35,000              | 5,500                | (29,500)  |
| <b>Total revenues</b>                       | <b>101,253</b>     | <b>105,953</b>      | <b>111,086</b>       | <b>5,133</b>  |
| <b>EXPENDITURES:</b>                        |                    |                     |                      |   |
| Current:                                    |                    |                     |                      |   |
| General administration                      | -                  | -                   | -                    | -   |
| Public safety                               | -                  | -                   | -                    | -   |
| Public works                                | -                  | -                   | -                    | -   |
| Recreation                                  | -                  | -                   | -                    | -   |
| Community development                       | 189,996            | 223,996             | 563,889              | 339,893   |
| Capital outlay                              | -                  | -                   | -                    | -   |
| Debt service:                               |                    |                     |                      |   |
| Principal                                   | -                  | -                   | -                    | -   |
| Interest and fiscal charges                 | -                  | -                   | -                    | -   |
| <b>Total expenditures</b>                   | <b>189,996</b>     | <b>223,996</b>      | <b>563,889</b>       | <b>339,893</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(88,743)</b>    | <b>(118,043)</b>    | <b>(452,803)</b>     | <b>(334,760)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                    |                     |                      |   |
| Proceeds from sale of asset                 | -                  | -                   | -                    | -   |
| Transfers in                                | -                  | -                   | -                    | -   |
| Transfers out                               | -                  | -                   | -                    | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>           | <b>-</b>            | <b>-</b>             | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ (88,743)</b> | <b>\$ (118,043)</b> | <b>(452,803)</b>     | <b>\$ (334,760)</b>                                     |
| <b>FUND BALANCES:</b>                       |                    |                     |                      |   |
| Beginning of year                           |                    |                     | 14,397,563           |   |
| End of year                                 |                    |                     | <u>\$ 13,944,760</u> |   |

**City of Pinole**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

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**1. BUDGETARY CONTROL AND BUDGETARY ACCOUNTING**

**A. *Budgetary Control and Budgetary Accounting***

Annually, the City Manager submits to the City Council a proposed operating budget for the following fiscal year. This budget includes proposed expenditures, by fund and department, and the revenues expected to finance them. Public hearings are conducted to obtain taxpayer comments and the budget is legally enacted through passage of a resolution. Any revisions which alter total expenditures of any fund must be approved by the City Council.

Budgets are adopted on a basis consistent with generally accepted accounting principles. Budget to actual comparisons in this report use this budgetary basis. Unexpended appropriations lapse at year-end and must be re-appropriated in the following year.

Budgeted amounts are as originally adopted, or as amended by the City Council.

**City of Pinole**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

**2. DEFINED BENEFIT PENSION PLAN**

**A. Schedule of the City's Proportionate Share of the Net Pension Liability - Last 10 Years\***

| Fiscal year:  | 2018          | 2017          | 2016          | 2015          |
|---|---------------|---------------|---------------|---------------|
| Measurement date:   | 6/30/2017     | 6/30/2016     | 6/30/2015     | 6/30/2014     |
| Proportion of the net pension liability   | 0.31631%      | 0.31346%      | 0.30817%      | 0.30594%      |
| Proportionate share of the net pension liability                                  | \$ 31,369,644 | \$ 27,123,752 | \$ 21,152,634 | \$ 18,565,336 |
| Covered payroll   | \$ 7,156,301  | \$ 6,936,049  | \$ 7,566,201  | \$ 7,588,896  |
| Proportionate Share of the net pension liability as percentage of covered payroll | 438.35%       | 391.05%       | 279.57%       | 244.64%       |
| Plan fiduciary net position as a percentage of the total pension liability        | 73.31%        | 74.06%        | 78.40%        | 79.82%        |

**Notes to Schedule:**

\* Fiscal year 2015 was the 1st year of implementation.

**B. Schedule of Contributions - Last 10 Years\***

| Fiscal year  | 2018         | 2017         | 2016         | 2015         |
|--|--------------|--------------|--------------|--------------|
| Contractually required contribution (actuarially determined)         | \$ 2,298,114 | \$ 2,067,225 | \$ 1,529,134 | \$ 1,403,576 |
| Contribution in relation to the actuarially determined contributions | 2,298,114    | 2,067,225    | 1,529,134    | 1,470,096    |
| Contribution deficiency (excess)                                     | \$ -         | \$ -         | \$ -         | \$ (66,520)  |
| Covered payroll  | \$ 7,579,208 | \$ 7,156,301 | \$ 6,936,049 | \$ 7,566,201 |
| Contributions as a percentage of covered payroll                     | -30.32%      | -28.89%      | -22.05%      | -19.43%      |

**Note to Schedule**

|                   |           |           |           |           |
|-------------------|-----------|-----------|-----------|-----------|
| Valuation date:** | 6/30/2016 | 6/30/2015 | 6/30/2014 | 6/30/2013 |
|-------------------|-----------|-----------|-----------|-----------|

\* Fiscal year 2015 was the 1st year of implementation.

\*\* Date of actuarial valuation used to determine the contractually required contribution.

**City of Pinole**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2018**

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**3. OTHER POST EMPLOYMENT BENEFITS (OPEB)**

*A. Schedule of the City's Proportionate Share of the Net OPEB Liability and Related Ratios for the Measurement Periods Ended June 30<sup>(1)</sup>*

| <i>Measurement Period</i>                                      | <u>2017</u>          |
|--|----------------------|
| <b>Total OPEB Liability</b>                                    |                      |
| Service Cost   | \$ 1,472,000         |
| Interest on the total OPEB liability                           | 1,128,000            |
| Changes in benefit terms                                       | -                    |
| Differences between expected and actual experience             | -                    |
| Changes of assumptions   | (4,636,000)          |
| Benefit payments, including refunds of employee contributions  | <u>(986,000)</u>     |
| <b>Net change in total OPEB liability</b>                      | (3,022,000)          |
| <b>Total OPEB liability - beginning</b>                        | <u>38,610,000</u>    |
| <b>Total OPEB liability - ending</b>                           | <u>\$ 35,588,000</u> |
|  |                      |
| Covered-employee payroll                                       | \$ 9,306,000         |
|  |                      |
| Net OPEB liability as a percentage of covered-employee payroll | 382.42%              |

**Notes to Schedule:**

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

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# SUPPLEMENTARY INFORMATION

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**City of Pinole**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2018**

|  | Capital<br>Projects Fund            | Special Revenue Funds |                   |
|--|-------------------------------------|-----------------------|-------------------|
|  | Public Works<br>Capital<br>Projects | Growth<br>Impact      | Gas<br>Tax        |
| <b>ASSETS</b>                                  |                                     |                       |                   |
| Cash and investments                           | \$ 2,236,731                        | \$ 1                  | \$ 417,582        |
| Accounts receivables                           | -                                   | -                     | 40,217            |
| Due from other funds                           | 9,113                               | -                     | -                 |
| <b>Total Asset</b>                             | <b>2,245,844</b>                    | <b>1</b>              | <b>457,799</b>    |
| <b>LIABILITIES<br/>AND FUND BALANCES</b>       |                                     |                       |                   |
| <b>Liabilities:</b>                            |                                     |                       |                   |
| Accounts payable and accrued liabilities       | 12,170                              | -                     | 16,441            |
| Deposits payable                               | -                                   | -                     | -                 |
| Due to other funds                             | 420,946                             | 9,113                 | -                 |
| Total liabilities                              | 433,116                             | 9,113                 | 16,441            |
| <b>Fund Balances:</b>                          |                                     |                       |                   |
| Restricted                                     | 288,016                             | -                     | 441,358           |
| Assigned                                       | 1,524,712                           | -                     | -                 |
| Unassigned                                     | -                                   | (9,112)               | -                 |
| Total fund balances                            | 1,812,728                           | (9,112)               | 441,358           |
| <b>Total liabilities<br/>and fund balances</b> | <b>\$ 2,245,844</b>                 | <b>\$ 1</b>           | <b>\$ 457,799</b> |

Special Revenue Funds

| Parkland<br>Dedication | Measure C           | Storm<br>Water    | Refuse<br>Management | Adjudicated<br>Asset<br>Seizure | police            |
|------------------------|---------------------|-------------------|----------------------|---------------------------------|-------------------|
| \$ 24,608              | \$ 888,105          | \$ -              | \$ 638,012           | \$ 131,698                      | \$ 512,146        |
| -                      | 366,959             | 125,552           | 10,148               | -                               | 200,263           |
| -                      | -                   | -                 | -                    | -                               | -                 |
| <u>24,608</u>          | <u>1,255,064</u>    | <u>125,552</u>    | <u>648,160</u>       | <u>131,698</u>                  | <u>712,409</u>    |
| -                      | 195                 | 1,992             | 1,431                | 884                             | 2,645             |
| -                      | -                   | 2,000             | -                    | -                               | -                 |
| -                      | -                   | 21,058            | -                    | -                               | 114,014           |
| <u>-</u>               | <u>195</u>          | <u>25,050</u>     | <u>1,431</u>         | <u>884</u>                      | <u>116,659</u>    |
| 24,608                 | 1,254,869           | 100,502           | 646,729              | 130,814                         | 579,754           |
| -                      | -                   | -                 | -                    | -                               | 15,996            |
| -                      | -                   | -                 | -                    | -                               | -                 |
| <u>24,608</u>          | <u>1,254,869</u>    | <u>100,502</u>    | <u>646,729</u>       | <u>130,814</u>                  | <u>595,750</u>    |
| <u>\$ 24,608</u>       | <u>\$ 1,255,064</u> | <u>\$ 125,552</u> | <u>\$ 648,160</u>    | <u>\$ 131,698</u>               | <u>\$ 712,409</u> |

**City of Pinole**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2018**

|  | Special Revenue Funds |                   |                        |
|--|-----------------------|-------------------|------------------------|
|  | Cable<br>TV           | Recreation        | Building<br>& Planning |
| <b>ASSETS</b>                                  |                       |                   |                        |
| Cash and investments                           | \$ -                  | \$ 126,996        | \$ 999,431             |
| Accounts receivables                           | 56,923                | -                 | -                      |
| Due from other funds                           | -                     | -                 | -                      |
| <b>Total Asset</b>                             | <u>56,923</u>         | <u>126,996</u>    | <u>999,431</u>         |
| <b>LIABILITIES<br/>AND FUND BALANCES</b>       |                       |                   |                        |
| <b>Liabilities:</b>                            |                       |                   |                        |
| Accounts payable and accrued liabilities       | 936                   | 40,109            | 195,496                |
| Deposits payable                               | -                     | 22,760            | 42,341                 |
| Due to other funds                             | 87,522                | -                 | -                      |
| Total liabilities                              | <u>88,458</u>         | <u>62,869</u>     | <u>237,837</u>         |
| <b>Fund Balances:</b>                          |                       |                   |                        |
| Restricted                                     | -                     | -                 | -                      |
| Assigned                                       | -                     | 64,127            | 761,594                |
| Unassigned                                     | (31,535)              | -                 | -                      |
| Total fund balances                            | <u>(31,535)</u>       | <u>64,127</u>     | <u>761,594</u>         |
| <b>Total liabilities<br/>and fund balances</b> | <u>\$ 56,923</u>      | <u>\$ 126,996</u> | <u>\$ 999,431</u>      |

| Special Revenue Funds |                        |                   |                               | Total                        |
|-----------------------|------------------------|-------------------|-------------------------------|------------------------------|
| Development services  | Fire Department Grants | Solid Waste Fund  | CASP Certification & Training | Non-Major Governmental Funds |
| \$ 71,846             | \$ -                   | \$ 770,539        | \$ 6,266                      | \$ 6,823,961                 |
| -                     | -                      | 62,825            | -                             | 862,887                      |
| -                     | -                      | -                 | -                             | 9,113                        |
| <u>71,846</u>         | <u>-</u>               | <u>833,364</u>    | <u>6,266</u>                  | <u>\$ 7,695,961</u>          |
| 11,364                | -                      | -                 | 88                            | \$ 283,751                   |
| 63,508                | -                      | -                 | -                             | 130,609                      |
| -                     | -                      | -                 | -                             | 652,653                      |
| <u>74,872</u>         | <u>-</u>               | <u>-</u>          | <u>88</u>                     | <u>1,067,013</u>             |
| -                     | -                      | 833,364           | 6,178                         | 4,306,192                    |
| -                     | -                      | -                 | -                             | 2,366,429                    |
| (3,026)               | -                      | -                 | -                             | (43,673)                     |
| <u>(3,026)</u>        | <u>-</u>               | <u>833,364</u>    | <u>6,178</u>                  | <u>6,628,948</u>             |
| <u>\$ 71,846</u>      | <u>\$ -</u>            | <u>\$ 833,364</u> | <u>\$ 6,266</u>               | <u>\$ 7,695,961</u>          |

# City of Pinole

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended June 30, 2018

|   | Capital<br>Projects Fund            | Special Revenue Funds |                   |
|---|-------------------------------------|-----------------------|-------------------|
|   | Public Works<br>Capital<br>Projects | Growth<br>Impact      | Gas<br>Tax        |
| <b>REVENUES:</b>                            |                                     |                       |                   |
| Taxes and assessments                       | \$ 34,798                           | \$ -                  | \$ -              |
| Intergovernmental revenues                  | -                                   | -                     | 519,757           |
| Contributions                               | -                                   | -                     | -                 |
| Investment earnings                         | 209                                 | 669                   | 1,973             |
| Rents and ground leases                     | 15,000                              | -                     | -                 |
| Charges for services                        | -                                   | 90,679                | -                 |
| Fines, forfeitures and penalties            | 1,000                               | -                     | -                 |
| Other revenues                              | -                                   | -                     | -                 |
| <b>Total revenues</b>                       | <u>51,007</u>                       | <u>91,348</u>         | <u>521,730</u>    |
| <b>EXPENDITURES:</b>                        |                                     |                       |                   |
| Current:                                    |                                     |                       |                   |
| General administration                      | -                                   | -                     | -                 |
| Public safety                               | -                                   | -                     | -                 |
| Public works                                | 44,551                              | -                     | 325,062           |
| Recreation                                  | -                                   | -                     | -                 |
| Community development                       | -                                   | -                     | -                 |
| Capital outlay                              | 96,402                              | -                     | 31,781            |
| Depreciation                                | -                                   | -                     | -                 |
| <b>Total expenditures</b>                   | <u>140,953</u>                      | <u>-</u>              | <u>356,843</u>    |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>(89,946)</u>                     | <u>91,348</u>         | <u>164,887</u>    |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                                     |                       |                   |
| Proceeds from sale of asset                 |                                     |                       |                   |
| Transfers in                                | 480,000                             | -                     | -                 |
| Transfers out                               | -                                   | -                     | -                 |
| <b>Total other financing sources (uses)</b> | <u>480,000</u>                      | <u>-</u>              | <u>-</u>          |
| <b>Net change in fund balances</b>          | 390,054                             | 91,348                | 164,887           |
| <b>FUND BALANCES:</b>                       |                                     |                       |                   |
| Beginning of year                           | <u>1,422,674</u>                    | <u>(100,460)</u>      | <u>276,471</u>    |
| End of year                                 | <u>\$ 1,812,728</u>                 | <u>\$ (9,112)</u>     | <u>\$ 441,358</u> |

Special Revenue Funds

| Parkland<br>Dedication | Measure C           | Storm<br>Water    | Refuse<br>Management | Adjudicated<br>Asset<br>Seizure | Police            |
|------------------------|---------------------|-------------------|----------------------|---------------------------------|-------------------|
| \$ -                   | \$ -                | \$ -              | \$ -                 | \$ -                            | \$ 164,543        |
| -                      | 366,959             | -                 | 66,513               | -                               | 428,000           |
| -                      | -                   | -                 | -                    | -                               | -                 |
| 140                    | 5,004               | 151               | 4,071                | 826                             | 2,737             |
| -                      | -                   | -                 | -                    | -                               | -                 |
| 8,014                  | -                   | -                 | -                    | -                               | -                 |
| -                      | -                   | -                 | -                    | 1,251                           | 32,140            |
| -                      | -                   | 296,294           | -                    | -                               | -                 |
| <u>8,154</u>           | <u>371,963</u>      | <u>296,445</u>    | <u>70,584</u>        | <u>2,077</u>                    | <u>627,420</u>    |
| -                      | -                   | 12,826            | -                    | -                               | -                 |
| -                      | -                   | -                 | -                    | 2,675                           | 576,024           |
| -                      | 127,060             | 261,093           | 99,211               | -                               | -                 |
| -                      | -                   | -                 | -                    | -                               | -                 |
| -                      | -                   | -                 | -                    | -                               | -                 |
| -                      | 6,947               | -                 | 38,009               | 15,540                          | -                 |
| -                      | -                   | -                 | -                    | -                               | -                 |
| <u>-</u>               | <u>134,007</u>      | <u>273,919</u>    | <u>137,220</u>       | <u>18,215</u>                   | <u>576,024</u>    |
| <u>8,154</u>           | <u>237,956</u>      | <u>22,526</u>     | <u>(66,636)</u>      | <u>(16,138)</u>                 | <u>51,396</u>     |
| -                      | -                   | -                 | -                    | -                               | -                 |
| <u>-</u>               | <u>-</u>            | <u>-</u>          | <u>-</u>             | <u>-</u>                        | <u>-</u>          |
| <u>-</u>               | <u>-</u>            | <u>-</u>          | <u>-</u>             | <u>-</u>                        | <u>-</u>          |
| <u>8,154</u>           | <u>237,956</u>      | <u>22,526</u>     | <u>(66,636)</u>      | <u>(16,138)</u>                 | <u>51,396</u>     |
| <u>16,454</u>          | <u>1,016,913</u>    | <u>77,976</u>     | <u>713,365</u>       | <u>146,952</u>                  | <u>544,354</u>    |
| <u>\$ 24,608</u>       | <u>\$ 1,254,869</u> | <u>\$ 100,502</u> | <u>\$ 646,729</u>    | <u>\$ 130,814</u>               | <u>\$ 595,750</u> |

# City of Pinole

## Statement of Revenues, Expenditures and Changes in Fund Balances

### Nonmajor Governmental Funds

For the year ended June 30, 2018

|   | Special Revenue Funds |                  |                        |
|---|-----------------------|------------------|------------------------|
|   | Cable<br>TV           | Recreation       | Building<br>& Planning |
| <b>REVENUES:</b>                            |                       |                  |                        |
| Taxes and assessments                       | \$ 36,910             | \$ -             | \$ -                   |
| Intergovernmental revenues                  | -                     | -                | -                      |
| Contributions                               | 3,300                 | 21,345           | -                      |
| Investment earnings                         | -                     | 565              | 5,445                  |
| Rents and ground leases                     | -                     | 113,554          | -                      |
| Charges for services                        | 220,758               | 643,163          | 1,113,527              |
| Fines, forfeitures and penalties            | -                     | -                | -                      |
| Other revenues                              | 30                    | 9,480            | 19,857                 |
| <b>Total revenues</b>                       | <b>260,998</b>        | <b>788,107</b>   | <b>1,138,829</b>       |
| <b>EXPENDITURES:</b>                        |                       |                  |                        |
| Current:                                    |                       |                  |                        |
| General administration                      | 293,655               | 9,170            | -                      |
| Public safety                               | -                     | -                | -                      |
| Public works                                | -                     | -                | -                      |
| Recreation                                  | -                     | 951,867          | -                      |
| Community development                       | -                     | -                | 1,024,145              |
| Capital outlay                              | 44,957                | 8,566            | 6,742                  |
| Depreciation                                | -                     | -                | -                      |
| <b>Total expenditures</b>                   | <b>338,612</b>        | <b>969,603</b>   | <b>1,030,887</b>       |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(77,614)</b>       | <b>(181,496)</b> | <b>107,942</b>         |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                       |                  |                        |
| Proceeds from sale of asset                 |                       |                  |                        |
| Transfers in                                | 84,095                | 33,888           | -                      |
| Transfers out                               | -                     | -                | -                      |
| <b>Total other financing sources (uses)</b> | <b>84,095</b>         | <b>33,888</b>    | <b>-</b>               |
| <b>Net change in fund balances</b>          | <b>6,481</b>          | <b>(147,608)</b> | <b>107,942</b>         |
| <b>FUND BALANCES:</b>                       |                       |                  |                        |
| Beginning of year                           | (38,016)              | 211,735          | 653,652                |
| End of year                                 | \$ (31,535)           | \$ 64,127        | \$ 761,594             |

| Special Revenue Funds |                        |                  |                               |                        | Total |
|-----------------------|------------------------|------------------|-------------------------------|------------------------|-------|
| Development services  | Fire Department Grants | Solid Waste Fund | CASP Certification & Training | Non-Major Funds Totals |       |
| \$ -                  | \$ -                   | \$ -             | \$ -                          | \$ 236,251             |       |
| -                     | -                      | -                | -                             | 1,381,229              |       |
| -                     | -                      | -                | -                             | 24,645                 |       |
| 432                   | -                      | 3,876            | -                             | 26,098                 |       |
| -                     | -                      | -                | -                             | 128,554                |       |
| -                     | -                      | -                | 6,178                         | 2,082,319              |       |
| -                     | -                      | -                | -                             | 34,391                 |       |
| -                     | 285                    | 247,457          | -                             | 573,403                |       |
| 432                   | 285                    | 251,333          | 6,178                         | 4,486,890              |       |
| -                     | -                      | -                | -                             | 315,651                |       |
| -                     | -                      | -                | -                             | 578,699                |       |
| -                     | -                      | -                | -                             | 856,977                |       |
| -                     | -                      | -                | -                             | 951,867                |       |
| -                     | -                      | -                | -                             | 1,024,145              |       |
| -                     | -                      | -                | -                             | 248,944                |       |
| -                     | -                      | -                | -                             | -                      |       |
| -                     | -                      | -                | -                             | 3,976,283              |       |
| 432                   | 285                    | 251,333          | 6,178                         | 510,607                |       |
| -                     | 228,943                | -                | -                             | 826,926                |       |
| -                     | -                      | -                | -                             | -                      |       |
| -                     | 228,943                | -                | -                             | 826,926                |       |
| 432                   | 229,228                | 251,333          | 6,178                         | 1,337,533              |       |
| (3,458)               | (229,228)              | 582,031          | -                             | 5,291,415              |       |
| \$ (3,026)            | \$ -                   | \$ 833,364       | \$ 6,178                      | \$ 6,628,948           |       |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Public Works Capital Projects

For the year ended June 30, 2018

|   | Budget Amounts      |                    | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|--------------------|---------------------|---|
|   | Original            | Final              |                     |   |
| <b>REVENUES:</b>                            |                     |                    |                     |   |
| Taxes and assessments                       | \$ 33,870           | \$ 33,870          | \$ 34,798           | \$ 928  |
| Intergovernmental revenues                  | -                   | -                  | -                   | -   |
| Contributions                               | -                   | -                  | -                   | -   |
| Investment earnings                         | -                   | -                  | 209                 | 209   |
| Rents and ground leases                     | 15,000              | 15,000             | 15,000              | -   |
| Charges for services                        | -                   | -                  | -                   | -   |
| Fines, forfeitures and penalties            | -                   | -                  | 1,000               | 1,000   |
| Other revenues                              | -                   | -                  | -                   | -   |
| <b>Total revenues</b>                       | <b>48,870</b>       | <b>48,870</b>      | <b>51,007</b>       | <b>2,137</b>  |
| <b>EXPENDITURES:</b>                        |                     |                    |                     |   |
| Current:                                    |                     |                    |                     |   |
| General administration                      | -                   | -                  | -                   | -   |
| Public safety                               | -                   | -                  | -                   | -   |
| Public works                                | 45,599              | 45,599             | 44,553              | (1,046)   |
| Recreation                                  | -                   | -                  | -                   | -   |
| Community development                       | -                   | -                  | -                   | -   |
| Capital outlay                              | 490,787             | 510,787            | 96,402              | (414,385)   |
| <b>Total expenditures</b>                   | <b>536,386</b>      | <b>556,386</b>     | <b>140,955</b>      | <b>(415,431)</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(487,516)</b>    | <b>(507,516)</b>   | <b>(89,948)</b>     | <b>417,568</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                    |                     |   |
| Proceeds from sale of asset                 |                     |                    |                     |   |
| Transfers in                                | (480,000)           | 480,000            | 480,000             | 480,000   |
| Transfers out                               | -                   | -                  | -                   | -   |
| <b>Total other financing sources (uses)</b> | <b>(480,000)</b>    | <b>480,000</b>     | <b>480,000</b>      | <b>480,000</b>  |
| <b>Net change in fund balances</b>          | <b>\$ (967,516)</b> | <b>\$ (27,516)</b> | <b>390,052</b>      | <b>\$ 897,568</b>                                       |
| <b>FUND BALANCES:</b>                       |                     |                    |                     |   |
| Beginning of year                           |                     |                    | 1,422,674           |   |
| End of year                                 |                     |                    | <u>\$ 1,812,726</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Growth Impact Special Revenue fund

For the year ended June 30, 2018

|   | Budget Amounts |             | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|-------------|-------------------|---|
|   | Original       | Final       |                   |   |
| <b>REVENUES:</b>                            |                |             |                   |   |
| Taxes and assessments                       | \$ -           | \$ -        | \$ -              | \$ -  |
| Intergovernmental revenues                  | -              | -           | -                 | -   |
| Contributions                               | -              | -           | -                 | -   |
| Investment earnings                         | -              | -           | 669               | 669   |
| Rents and ground leases                     | -              | -           | -                 | -   |
| Charges for services                        | -              | -           | 90,679            | 90,679  |
| Fines, forfeitures and penalties            | -              | -           | -                 | -   |
| Other revenues                              | -              | -           | -                 | -   |
| <b>Total revenues</b>                       | <b>-</b>       | <b>-</b>    | <b>91,348</b>     | <b>91,348</b>   |
| <b>EXPENDITURES:</b>                        |                |             |                   |   |
| Current:                                    |                |             |                   |   |
| General administration                      | -              | -           | -                 | -   |
| Public safety                               | -              | -           | -                 | -   |
| Public works                                | -              | -           | -                 | -   |
| Recreation                                  | -              | -           | -                 | -   |
| Community development                       | -              | -           | -                 | -   |
| Capital outlay                              | -              | -           | -                 | -   |
| <b>Total expenditures</b>                   | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>-</b>       | <b>-</b>    | <b>91,348</b>     | <b>91,348</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                |             |                   |   |
| Proceeds from sale of asset                 |                |             |                   |   |
| Transfers in                                | -              | -           | -                 | -   |
| Transfers out                               | -              | -           | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ -</b>    | <b>\$ -</b> | <b>91,348</b>     | <b>\$ 91,348</b>  |
| <b>FUND BALANCES:</b>                       |                |             |                   |   |
| Beginning of year                           |                |             | (100,460)         |   |
| End of year                                 |                |             | <u>\$ (9,112)</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Gas Tax Special Revenue fund

For the year ended June 30, 2018

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| <b>REVENUES:</b>                            |                  |                  |                   |   |
| Taxes and assessments                       | \$ -             | \$ -             | \$ -              | \$ -  |
| Intergovernmental revenues                  | 528,732          | 528,732          | 519,757           | (8,975)   |
| Contributions                               | -                | -                | -                 | -   |
| Investment earnings                         | -                | 500              | 1,973             | 1,473   |
| Rents and ground leases                     | -                | -                | -                 | -   |
| Charges for services                        | -                | -                | -                 | -   |
| Fines, forfeitures and penalties            | -                | -                | -                 | -   |
| Other revenues                              | -                | -                | -                 | -   |
| <b>Total revenues</b>                       | <b>528,732</b>   | <b>529,232</b>   | <b>521,730</b>    | <b>(7,502)</b>  |
| <b>EXPENDITURES:</b>                        |                  |                  |                   |   |
| Current:                                    |                  |                  |                   |   |
| General administration                      | -                | -                | -                 | -   |
| Public safety                               | -                | -                | -                 | -   |
| Public works                                | 462,791          | 462,791          | 325,063           | (137,728)   |
| Recreation                                  | -                | -                | -                 | -   |
| Community development                       | -                | -                | -                 | -   |
| Capital outlay                              | -                | -                | 31,781            | 31,781  |
| <b>Total expenditures</b>                   | <b>462,791</b>   | <b>462,791</b>   | <b>356,844</b>    | <b>(105,947)</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>65,941</b>    | <b>66,441</b>    | <b>164,886</b>    | <b>98,445</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                  |                   |   |
| Proceeds from sale of asset                 |                  |                  |                   |   |
| Transfers in                                | -                | -                | -                 | -   |
| Transfers out                               | -                | -                | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ 65,941</b> | <b>\$ 66,441</b> | <b>164,886</b>    | <b>\$ 98,445</b>  |
| <b>FUND BALANCES:</b>                       |                  |                  |                   |   |
| Beginning of year                           |                  |                  | 276,470           |   |
| End of year                                 |                  |                  | <u>\$ 441,356</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Parkland Dedication Special Revenue fund

For the year ended June 30, 2018

|   | Budget Amounts |             | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|-------------|-------------------|---|
|   | Original       | Final       |                   |   |
| <b>REVENUES:</b>                            |                |             |                   |   |
| Taxes and assessments                       | \$ -           | \$ -        | \$ -              | \$ -  |
| Intergovernmental revenues                  | -              | -           | -                 | -   |
| Contributions                               | -              | -           | -                 | -   |
| Investment earnings                         | -              | -           | 140               | 140   |
| Rents and ground leases                     | -              | -           | -                 | -   |
| Charges for services                        | -              | -           | 8,014             | 8,014   |
| Fines, forfeitures and penalties            | -              | -           | -                 | -   |
| Other revenues                              | -              | -           | -                 | -   |
| <b>Total revenues</b>                       | <b>-</b>       | <b>-</b>    | <b>8,154</b>      | <b>8,154</b>  |
| <b>EXPENDITURES:</b>                        |                |             |                   |   |
| Current:                                    |                |             |                   |   |
| General administration                      | -              | -           | -                 | -   |
| Public safety                               | -              | -           | -                 | -   |
| Public works                                | -              | -           | -                 | -   |
| Recreation                                  | -              | -           | -                 | -   |
| Community development                       | -              | -           | -                 | -   |
| Capital outlay                              | -              | -           | -                 | -   |
| <b>Total expenditures</b>                   | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>-</b>       | <b>-</b>    | <b>8,154</b>      | <b>8,154</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                |             |                   |   |
| Proceeds from sale of asset                 |                |             |                   |   |
| Transfers in                                | -              | -           | -                 | -   |
| Transfers out                               | -              | -           | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ -</b>    | <b>\$ -</b> | <b>8,154</b>      | <b>\$ 8,154</b>   |
| <b>FUND BALANCES:</b>                       |                |             |                   |   |
| Beginning of year                           |                |             | 16,455            |   |
| End of year                                 |                |             | <u>\$ 24,609</u>  |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Measure C Special Revenue fund

For the year ended June 30, 2018

|   | Budget Amounts    |                   | Actual<br>Amounts   | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|---------------------|---|
|   | Original          | Final             |                     |   |
| <b>REVENUES:</b>                            |                   |                   |                     |   |
| Taxes and assessments                       | \$ -              | \$ -              | \$ -                | \$ -  |
| Intergovernmental revenues                  | 303,590           | 303,590           | 366,959             | 63,369  |
| Contributions                               | -                 | -                 | -                   | -   |
| Investment earnings                         | -                 | 1,000             | 5,004               | 4,004   |
| Rents and ground leases                     | -                 | -                 | -                   | -   |
| Charges for services                        | -                 | -                 | -                   | -   |
| Fines, forfeitures and penalties            | -                 | -                 | -                   | -   |
| Other revenues                              | -                 | -                 | -                   | -   |
| <b>Total revenues</b>                       | <b>303,590</b>    | <b>304,590</b>    | <b>371,963</b>      | <b>67,373</b>   |
| <b>EXPENDITURES:</b>                        |                   |                   |                     |   |
| Current:                                    |                   |                   |                     |   |
| General administration                      | 42,772            | 42,772            | -                   | (42,772)  |
| Public safety                               | -                 | -                 | -                   | -   |
| Public works                                | 96,033            | 100,033           | 127,060             | 27,027  |
| Recreation                                  | -                 | -                 | -                   | -   |
| Community development                       | -                 | -                 | -                   | -   |
| Capital outlay                              | 45,720            | 45,720            | 6,947               | (38,773)  |
| <b>Total expenditures</b>                   | <b>184,525</b>    | <b>188,525</b>    | <b>134,007</b>      | <b>(54,518)</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>119,065</b>    | <b>116,065</b>    | <b>237,956</b>      | <b>121,891</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                   |                     |   |
| Proceeds from sale of asset                 |                   |                   |                     |   |
| Transfers in                                | -                 | -                 | -                   | -   |
| Transfers out                               | -                 | -                 | -                   | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>          | <b>-</b>          | <b>-</b>            | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ 119,065</b> | <b>\$ 116,065</b> | <b>237,956</b>      | <b>\$ 121,891</b>                                       |
| <b>FUND BALANCES:</b>                       |                   |                   |                     |   |
| Beginning of year                           |                   |                   | 1,016,913           |   |
| End of year                                 |                   |                   | <u>\$ 1,254,869</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Storm Water Special Revenue fund

For the year ended June 30, 2018

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| <b>REVENUES:</b>                            |                  |                  |                   |   |
| Taxes and assessments                       | \$ -             | \$ -             | \$ -              | \$ -  |
| Intergovernmental revenues                  | -                | -                | -                 | -   |
| Contributions                               | -                | -                | -                 | -   |
| Investment earnings                         | -                | 175              | 151               | (24)  |
| Rents and ground leases                     | -                | -                | -                 | -   |
| Charges for services                        | -                | -                | -                 | -   |
| Fines, forfeitures and penalties            | -                | -                | -                 | -   |
| Other revenues                              | 315,768          | 316,168          | 296,294           | (19,874)  |
| <b>Total revenues</b>                       | <b>315,768</b>   | <b>316,343</b>   | <b>296,445</b>    | <b>(19,898)</b>   |
| <b>EXPENDITURES:</b>                        |                  |                  |                   |   |
| Current:                                    |                  |                  |                   |   |
| General administration                      | -                | -                | 12,826            | 12,826  |
| Public safety                               | -                | -                | -                 | -   |
| Public works                                | 305,420          | 305,420          | 261,093           | (44,327)  |
| Recreation                                  | -                | -                | -                 | -   |
| Community development                       | -                | -                | -                 | -   |
| Capital outlay                              | -                | -                | -                 | -   |
| <b>Total expenditures</b>                   | <b>305,420</b>   | <b>305,420</b>   | <b>273,919</b>    | <b>(31,501)</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>10,348</b>    | <b>10,923</b>    | <b>22,526</b>     | <b>11,603</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                  |                   |   |
| Proceeds from sale of asset                 |                  |                  |                   |   |
| Transfers in                                | -                | -                | -                 | -   |
| Transfers out                               | -                | -                | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ 10,348</b> | <b>\$ 10,923</b> | <b>22,526</b>     | <b>\$ 11,603</b>  |
| <b>FUND BALANCES:</b>                       |                  |                  |                   |   |
| Beginning of year                           |                  |                  | 77,976            |   |
| End of year                                 |                  |                  | <u>\$ 100,502</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Refuse Management Special Revenue fund

For the year ended June 30, 2018

|   | Budget Amounts     |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|--------------------|--------------------|-------------------|---|
|   | Original           | Final              |                   |   |
| <b>REVENUES:</b>                            |                    |                    |                   |   |
| Taxes and assessments                       | \$ -               | \$ -               | \$ -              | \$ -  |
| Intergovernmental revenues                  | 60,060             | 60,060             | 66,513            | 6,453   |
| Contributions                               | -                  | -                  | -                 | -   |
| Investment earnings                         | -                  | 1,000              | 4,071             | 3,071   |
| Rents and ground leases                     | -                  | -                  | -                 | -   |
| Charges for services                        | -                  | -                  | -                 | -   |
| Fines, forfeitures and penalties            | -                  | -                  | -                 | -   |
| Other revenues                              | -                  | -                  | -                 | -   |
| <b>Total revenues</b>                       | <b>60,060</b>      | <b>61,060</b>      | <b>70,584</b>     | <b>9,524</b>  |
| <b>EXPENDITURES:</b>                        |                    |                    |                   |   |
| Current:                                    |                    |                    |                   |   |
| General administration                      | -                  | -                  | -                 | -   |
| Public safety                               | -                  | -                  | -                 | -   |
| Public works                                | 113,522            | 113,522            | 99,211            | (14,311)  |
| Recreation                                  | -                  | -                  | -                 | -   |
| Community development                       | -                  | -                  | -                 | -   |
| Capital outlay                              | -                  | -                  | 38,009            | 38,009  |
| <b>Total expenditures</b>                   | <b>113,522</b>     | <b>113,522</b>     | <b>137,220</b>    | <b>23,698</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(53,462)</b>    | <b>(52,462)</b>    | <b>(66,636)</b>   | <b>(14,174)</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                    |                    |                   |   |
| Proceeds from sale of asset                 |                    |                    |                   |   |
| Transfers in                                | -                  | -                  | -                 | -   |
| Transfers out                               | -                  | -                  | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>           | <b>-</b>           | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ (53,462)</b> | <b>\$ (52,462)</b> | <b>(66,636)</b>   | <b>\$ (14,174)</b>                                      |
| <b>FUND BALANCES:</b>                       |                    |                    |                   |   |
| Beginning of year                           |                    |                    | 713,366           |   |
| End of year                                 |                    |                    | <u>\$ 646,730</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Adjudicated Asset Seizure

For the year ended June 30, 2018

|   | Budget Amounts |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|--------------------|-------------------|---|
|   | Original       | Final              |                   |   |
| <b>REVENUES:</b>                            |                |                    |                   |   |
| Taxes and assessments                       | \$ -           | \$ -               | \$ -              | \$ -  |
| Intergovernmental revenues                  | -              | -                  | -                 | -   |
| Contributions                               | -              | -                  | -                 | -   |
| Investment earnings                         | -              | 250                | 826               | 576   |
| Rents and ground leases                     | -              | -                  | -                 | -   |
| Charges for services                        | -              | -                  | -                 | -   |
| Fines, forfeitures and penalties            | -              | 1,300              | 1,251             | (49)  |
| Other revenues                              | -              | -                  | -                 | -   |
| <b>Total revenues</b>                       | <b>-</b>       | <b>1,550</b>       | <b>2,077</b>      | <b>527</b>  |
| <b>EXPENDITURES:</b>                        |                |                    |                   |   |
| Current:                                    |                |                    |                   |   |
| General administration                      | -              | -                  | -                 | -   |
| Public safety                               | -              | -                  | 2,676             | 2,676   |
| Public works                                | -              | -                  | -                 | -   |
| Recreation                                  | -              | -                  | -                 | -   |
| Community development                       | -              | -                  | -                 | -   |
| Capital outlay                              | -              | 11,856             | 15,540            | 3,684   |
| <b>Total expenditures</b>                   | <b>-</b>       | <b>11,856</b>      | <b>18,216</b>     | <b>6,360</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>-</b>       | <b>(10,306)</b>    | <b>(16,139)</b>   | <b>(5,833)</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                |                    |                   |   |
| Proceeds from sale of asset                 |                |                    |                   |   |
| Transfers in                                | -              | -                  | -                 | -   |
| Transfers out                               | -              | -                  | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>       | <b>-</b>           | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ -</b>    | <b>\$ (10,306)</b> | <b>(16,139)</b>   | <b>\$ (5,833)</b>                                       |
| <b>FUND BALANCES:</b>                       |                |                    |                   |   |
| Beginning of year                           |                |                    | 146,952           |   |
| End of year                                 |                |                    | <u>\$ 130,813</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Police Special Revenue Fund

For the year ended June 30, 2018

|   | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|------------------|------------------|-------------------|---|
|   | Original         | Final            |                   |   |
| <b>REVENUES:</b>                            |                  |                  |                   |   |
| Taxes and assessments                       | \$ 155,000       | \$ 155,000       | \$ 164,543        | \$ 9,543  |
| Intergovernmental revenues                  | 420,000          | 420,000          | 428,000           | 8,000   |
| Contributions                               | -                | -                | -                 | -   |
| Investment earnings                         | -                | 925              | 2,737             | 1,812   |
| Rents and ground leases                     | -                | -                | -                 | -   |
| Charges for services                        | -                | -                | -                 | -   |
| Fines, forfeitures and penalties            | 57,750           | 57,750           | 32,140            | (25,610)  |
| Other revenues                              | -                | -                | -                 | -   |
| <b>Total revenues</b>                       | <b>632,750</b>   | <b>633,675</b>   | <b>627,420</b>    | <b>(6,255)</b>  |
| <b>EXPENDITURES:</b>                        |                  |                  |                   |   |
| Current:                                    |                  |                  |                   |   |
| General administration                      | -                | -                | -                 | -   |
| Public safety                               | 558,239          | 558,239          | 576,022           | 17,783  |
| Public works                                | -                | -                | -                 | -   |
| Recreation                                  | -                | -                | -                 | -   |
| Community development                       | -                | -                | -                 | -   |
| Capital outlay                              | 7,500            | 7,500            | -                 | (7,500)   |
| <b>Total expenditures</b>                   | <b>565,739</b>   | <b>565,739</b>   | <b>576,022</b>    | <b>10,283</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>67,011</b>    | <b>67,936</b>    | <b>51,398</b>     | <b>(16,538)</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                  |                   |   |
| Proceeds from sale of asset                 |                  |                  |                   |   |
| Transfers in                                | -                | -                | -                 | -   |
| Transfers out                               | -                | -                | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>         | <b>-</b>         | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ 67,011</b> | <b>\$ 67,936</b> | <b>51,398</b>     | <b>\$ (16,538)</b>                                      |
| <b>FUND BALANCES:</b>                       |                  |                  |                   |   |
| Beginning of year                           |                  |                  | 544,356           |   |
| End of year                                 |                  |                  | <u>\$ 595,754</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Cable TV Special Revenue Fund

For the year ended June 30, 2018

|   | Budget Amounts      |                  | Actual<br>Amounts  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|------------------|--------------------|---|
|   | Original            | Final            |                    |   |
| <b>REVENUES:</b>                            |                     |                  |                    |   |
| Taxes and assessments                       | \$ 50,000           | \$ 36,788        | \$ 36,910          | \$ 122  |
| Intergovernmental revenues                  | -                   | -                | -                  | -   |
| Contributions                               | 3,000               | 600              | 3,300              | 2,700   |
| Investment earnings                         | -                   | -                | -                  | -   |
| Rents and ground leases                     | -                   | -                | -                  | -   |
| Charges for services                        | 182,585             | 178,585          | 220,758            | 42,173  |
| Fines, forfeitures and penalties            | -                   | -                | -                  | -   |
| Other revenues                              | 3,000               | 1,500            | 30                 | (1,470)   |
| <b>Total revenues</b>                       | <b>238,585</b>      | <b>217,473</b>   | <b>260,998</b>     | <b>43,525</b>   |
| <b>EXPENDITURES:</b>                        |                     |                  |                    |   |
| Current:                                    |                     |                  |                    |   |
| General administration                      | 342,191             | 342,191          | 293,654            | (48,537)  |
| Public safety                               | -                   | -                | -                  | -   |
| Public works                                | -                   | -                | -                  | -   |
| Recreation                                  | -                   | -                | -                  | -   |
| Community development                       | -                   | -                | -                  | -   |
| Capital outlay                              | 56,900              | 56,900           | 44,957             | (11,943)  |
| <b>Total expenditures</b>                   | <b>399,091</b>      | <b>399,091</b>   | <b>338,611</b>     | <b>(60,480)</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(160,506)</b>    | <b>(181,618)</b> | <b>(77,613)</b>    | <b>104,005</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                  |                    |   |
| Proceeds from sale of asset                 |                     |                  |                    |   |
| Transfers in                                | (165,566)           | 183,566          | 84,095             | 183,566   |
| Transfers out                               | -                   | -                | -                  | -   |
| <b>Total other financing sources (uses)</b> | <b>(165,566)</b>    | <b>183,566</b>   | <b>84,095</b>      | <b>183,566</b>  |
| <b>Net change in fund balances</b>          | <b>\$ (326,072)</b> | <b>\$ 1,948</b>  | <b>6,482</b>       | <b>\$ 287,571</b>                                       |
| <b>FUND BALANCES:</b>                       |                     |                  |                    |   |
| Beginning of year                           |                     |                  | (38,016)           |   |
| End of year                                 |                     |                  | <u>\$ (31,534)</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Recreation Special Revenue Fund

For the year ended June 30, 2018

|   | Budget Amounts      |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|-------------------|---|
|   | Original            | Final               |                   |   |
| <b>REVENUES:</b>                            |                     |                     |                   |   |
| Taxes and assessments                       | \$ -                | \$ -                | \$ -              | \$ -  |
| Intergovernmental revenues                  | -                   | -                   | -                 | -   |
| Contributions                               | 46,120              | 28,120              | 21,345            | (6,775)   |
| Investment earnings                         | -                   | -                   | 565               | 565   |
| Rents and ground leases                     | 75,600              | 90,600              | 113,554           | 22,954  |
| Charges for services                        | 755,527             | 625,645             | 643,163           | 17,518  |
| Fines, forfeitures and penalties            | -                   | -                   | -                 | -   |
| Other revenues                              | -                   | 400                 | 9,480             | 9,080   |
| <b>Total revenues</b>                       | <b>877,247</b>      | <b>744,765</b>      | <b>788,107</b>    | <b>43,342</b>   |
| <b>EXPENDITURES:</b>                        |                     |                     |                   |   |
| Current:                                    |                     |                     |                   |   |
| General administration                      | -                   | -                   | 9,165             | -   |
| Public safety                               | -                   | -                   | -                 | -   |
| Public works                                | -                   | -                   | -                 | -   |
| Recreation                                  | 1,073,455           | 1,023,215           | 951,867           | (71,348)  |
| Community development                       | -                   | -                   | -                 | -   |
| Capital outlay                              | -                   | -                   | 8,566             | 8,566   |
| <b>Total expenditures</b>                   | <b>1,073,455</b>    | <b>1,023,215</b>    | <b>969,598</b>    | <b>(53,617)</b>   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(196,208)</b>    | <b>(278,450)</b>    | <b>(181,491)</b>  | <b>96,959</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |                   |   |
| Proceeds from sale of asset                 |                     |                     |                   |   |
| Transfers in                                | (45,000)            | 45,000              | 33,888            | 45,000  |
| Transfers out                               | -                   | -                   | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>(45,000)</b>     | <b>45,000</b>       | <b>33,888</b>     | <b>45,000</b>   |
| <b>Net change in fund balances</b>          | <b>\$ (241,208)</b> | <b>\$ (233,450)</b> | <b>(147,603)</b>  | <b>\$ 141,959</b>                                       |
| <b>FUND BALANCES:</b>                       |                     |                     |                   |   |
| Beginning of year                           |                     |                     | 211,736           |   |
| End of year                                 |                     |                     | <u>\$ 64,133</u>  |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Building & Planning Special Revenue Fund

For the year ended June 30, 2018

|   | Budget Amounts      |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|---------------------|---------------------|-------------------|---|
|   | Original            | Final               |                   |   |
| <b>REVENUES:</b>                            |                     |                     |                   |   |
| Taxes and assessments                       | \$ -                | \$ -                | \$ -              | \$ -  |
| Intergovernmental revenues                  | -                   | -                   | -                 | -   |
| Contributions                               | -                   | -                   | -                 | -   |
| Investment earnings                         | -                   | 1,500               | 5,445             | 3,945   |
| Rents and ground leases                     | -                   | -                   | -                 | -   |
| Charges for services                        | 824,350             | 1,116,350           | 1,113,527         | (2,823)   |
| Fines, forfeitures and penalties            | -                   | -                   | -                 | -   |
| Other revenues                              | 6,000               | 17,000              | 19,857            | 2,857   |
| <b>Total revenues</b>                       | <b>830,350</b>      | <b>1,134,850</b>    | <b>1,138,829</b>  | <b>3,979</b>  |
| <b>EXPENDITURES:</b>                        |                     |                     |                   |   |
| Current:                                    |                     |                     |                   |   |
| General administration                      | -                   | -                   | -                 | -   |
| Public safety                               | -                   | -                   | -                 | -   |
| Public works                                | -                   | -                   | -                 | -   |
| Recreation                                  | -                   | -                   | -                 | -   |
| Community development                       | 1,094,067           | 1,369,067           | 1,024,143         | (344,924)   |
| Capital outlay                              | 50,000              | 63,000              | 6,742             | (56,258)  |
| <b>Total expenditures</b>                   | <b>1,144,067</b>    | <b>1,432,067</b>    | <b>1,030,885</b>  | <b>(401,182)</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>(313,717)</b>    | <b>(297,217)</b>    | <b>107,944</b>    | <b>405,161</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |                   |   |
| Proceeds from sale of asset                 |                     |                     |                   |   |
| Transfers in                                | -                   | -                   | -                 | -   |
| Transfers out                               | -                   | -                   | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>            | <b>-</b>            | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ (313,717)</b> | <b>\$ (297,217)</b> | <b>107,944</b>    | <b>\$ 405,161</b>                                       |
| <b>FUND BALANCES:</b>                       |                     |                     |                   |   |
| Beginning of year                           |                     |                     | 653,652           |   |
| End of year                                 |                     |                     | <u>\$ 761,596</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Development Services Special Revenue Fund

For the year ended June 30, 2018

|   | Budget Amounts |             | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|-------------|-------------------|---|
|   | Original       | Final       |                   |   |
| <b>REVENUES:</b>                            |                |             |                   |   |
| Taxes and assessments                       | \$ -           | \$ -        | \$ -              | \$ -  |
| Intergovernmental revenues                  | -              | -           | -                 | -   |
| Contributions                               | -              | -           | -                 | -   |
| Investment earnings                         | -              | -           | 431               | 431   |
| Rents and ground leases                     | -              | -           | -                 | -   |
| Charges for services                        | -              | -           | -                 | -   |
| Fines, forfeitures and penalties            | -              | -           | -                 | -   |
| Other revenues                              | -              | -           | -                 | -   |
| <b>Total revenues</b>                       | <b>-</b>       | <b>-</b>    | <b>431</b>        | <b>431</b>  |
| <b>EXPENDITURES:</b>                        |                |             |                   |   |
| Current:                                    |                |             |                   |   |
| General administration                      | -              | -           | -                 | -   |
| Public safety                               | -              | -           | -                 | -   |
| Public works                                | -              | -           | -                 | -   |
| Recreation                                  | -              | -           | -                 | -   |
| Community development                       | -              | -           | -                 | -   |
| Capital outlay                              | -              | -           | -                 | -   |
| <b>Total expenditures</b>                   | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>-</b>       | <b>-</b>    | <b>431</b>        | <b>431</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                |             |                   |   |
| Proceeds from sale of asset                 |                |             |                   |   |
| Transfers in                                | -              | -           | -                 | -   |
| Transfers out                               | -              | -           | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ -</b>    | <b>\$ -</b> | <b>431</b>        | <b>\$ 431</b>   |
| <b>FUND BALANCES:</b>                       |                |             |                   |   |
| Beginning of year                           |                |             | (3,458)           |   |
| End of year                                 |                |             | <u>\$ (3,027)</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Fire Department Grants Special Revenue Fund

For the year ended June 30, 2018

|   | Budget Amounts |             | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|-------------|-------------------|---|
|   | Original       | Final       |                   |   |
| <b>REVENUES:</b>                            |                |             |                   |   |
| Taxes and assessments                       | \$ -           | \$ -        | \$ -              | \$ -  |
| Intergovernmental revenues                  | -              | -           | -                 | -   |
| Contributions                               | -              | -           | -                 | -   |
| Investment earnings                         | -              | -           | -                 | -   |
| Rents and ground leases                     | -              | -           | -                 | -   |
| Charges for services                        | -              | -           | -                 | -   |
| Fines, forfeitures and penalties            | -              | -           | -                 | -   |
| Other revenues                              | -              | -           | -                 | -   |
| <b>Total revenues</b>                       | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>EXPENDITURES:</b>                        |                |             |                   |   |
| Current:                                    |                |             |                   |   |
| General administration                      | -              | -           | -                 | -   |
| Public safety                               | -              | -           | -                 | -   |
| Public works                                | -              | -           | -                 | -   |
| Recreation                                  | -              | -           | -                 | -   |
| Community development                       | -              | -           | -                 | -   |
| Capital outlay                              | -              | -           | -                 | -   |
| <b>Total expenditures</b>                   | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                |             |                   |   |
| Proceeds from sale of asset                 |                |             |                   |   |
| Transfers in                                | -              | -           | -                 | -   |
| Transfers out                               | -              | -           | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ -</b>    | <b>\$ -</b> | <b>-</b>          | <b>\$ -</b>   |
| <b>FUND BALANCES:</b>                       |                |             |                   |   |
| Beginning of year                           |                |             |                   | -   |
| End of year                                 |                |             | \$ -              |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Solid Waste Special Revenue Fund

For the year ended June 30, 2018

|   | Budget Amounts    |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             |                   |   |
| <b>REVENUES:</b>                            |                   |                   |                   |   |
| Taxes and assessments                       | \$ -              | \$ -              | \$ -              | \$ -  |
| Intergovernmental revenues                  | -                 | -                 | -                 | -   |
| Contributions                               | -                 | -                 | -                 | -   |
| Investment earnings                         | -                 | -                 | 3,876             | 3,876   |
| Rents and ground leases                     | -                 | -                 | -                 | -   |
| Charges for services                        | -                 | -                 | -                 | -   |
| Fines, forfeitures and penalties            | -                 | -                 | -                 | -   |
| Other revenues                              | 220,000           | 220,000           | 247,457           | 27,457  |
| <b>Total revenues</b>                       | <b>220,000</b>    | <b>220,000</b>    | <b>251,333</b>    | <b>31,333</b>   |
| <b>EXPENDITURES:</b>                        |                   |                   |                   |   |
| Current:                                    |                   |                   |                   |   |
| General administration                      | -                 | -                 | -                 | -   |
| Public safety                               | -                 | -                 | -                 | -   |
| Public works                                | -                 | -                 | -                 | -   |
| Recreation                                  | -                 | -                 | -                 | -   |
| Community development                       | -                 | -                 | -                 | -   |
| Capital outlay                              | -                 | -                 | -                 | -   |
| <b>Total expenditures</b>                   | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>220,000</b>    | <b>220,000</b>    | <b>251,333</b>    | <b>31,333</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                   |                   |   |
| Proceeds from sale of asset                 |                   |                   |                   |   |
| Transfers in                                | -                 | -                 | -                 | -   |
| Transfers out                               | -                 | -                 | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>          | <b>-</b>          | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ 220,000</b> | <b>\$ 220,000</b> | <b>251,333</b>    | <b>\$ 31,333</b>  |
| <b>FUND BALANCES:</b>                       |                   |                   |                   |   |
| Beginning of year                           |                   |                   | 582,031           |   |
| End of year                                 |                   |                   | <u>\$ 833,364</u> |   |

# City of Pinole

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### CASP Certification and Training

For the year ended June 30, 2018

|   | Budget Amounts |             | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|---|----------------|-------------|-------------------|---|
|   | Original       | Final       |                   |   |
| <b>REVENUES:</b>                            |                |             |                   |   |
| Taxes and assessments                       | \$ -           | \$ -        | \$ -              | \$ -  |
| Intergovernmental revenues                  | -              | -           | -                 | -   |
| Contributions                               | -              | -           | -                 | -   |
| Investment earnings                         | -              | -           | -                 | -   |
| Rents and ground leases                     | -              | -           | -                 | -   |
| Charges for services                        | -              | -           | 6,178             | 6,178   |
| Fines, forfeitures and penalties            | -              | -           | -                 | -   |
| Other revenues                              | -              | -           | -                 | -   |
| <b>Total revenues</b>                       | <b>-</b>       | <b>-</b>    | <b>6,178</b>      | <b>6,178</b>  |
| <b>EXPENDITURES:</b>                        |                |             |                   |   |
| Current:                                    |                |             |                   |   |
| General administration                      | -              | -           | -                 | -   |
| Public safety                               | -              | -           | -                 | -   |
| Public works                                | -              | -           | -                 | -   |
| Recreation                                  | -              | -           | -                 | -   |
| Community development                       | -              | -           | -                 | -   |
| Capital outlay                              | -              | -           | -                 | -   |
| <b>Total expenditures</b>                   | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>-</b>       | <b>-</b>    | <b>6,178</b>      | <b>6,178</b>  |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                |             |                   |   |
| Proceeds from sale of asset                 |                |             |                   |   |
| Transfers in                                | -              | -           | -                 | -   |
| Transfers out                               | -              | -           | -                 | -   |
| <b>Total other financing sources (uses)</b> | <b>-</b>       | <b>-</b>    | <b>-</b>          | <b>-</b>  |
| <b>Net change in fund balances</b>          | <b>\$ -</b>    | <b>\$ -</b> | <b>6,178</b>      | <b>\$ 6,178</b>   |
| <b>FUND BALANCES:</b>                       |                |             |                   |   |
| Beginning of year                           |                |             | -                 |   |
| End of year                                 |                |             | <u>\$ 6,178</u>   |   |

**City of Pinole**  
**Combining Balance Sheet**  
**Agency Fund**  
**June 30, 2018**

|                          | Balance<br>July 1, 2017 | Additions     | Deductions   | Balance<br>June 30, 2018 |
|--------------------------|-------------------------|---------------|--------------|--------------------------|
| <b>ASSETS</b>            |                         |               |              |                          |
| Cash and equivalents     | \$ 97,561               | \$ 438        | \$ -         | \$ 97,999                |
| Accounts receivable      | 64                      | -             | 64           | -                        |
| <b>Total Assets</b>      | <b>\$ 97,625</b>        | <b>\$ 438</b> | <b>\$ 64</b> | <b>\$ 97,999</b>         |
| <b>LIABILITIES</b>       |                         |               |              |                          |
| Fund held in trust       | \$ 97,625               | 438           | 64           | 97,999                   |
| <b>Total liabilities</b> | <b>\$ 97,625</b>        | <b>\$ 438</b> | <b>\$ 64</b> | <b>\$ 97,999</b>         |

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# Statistical Section



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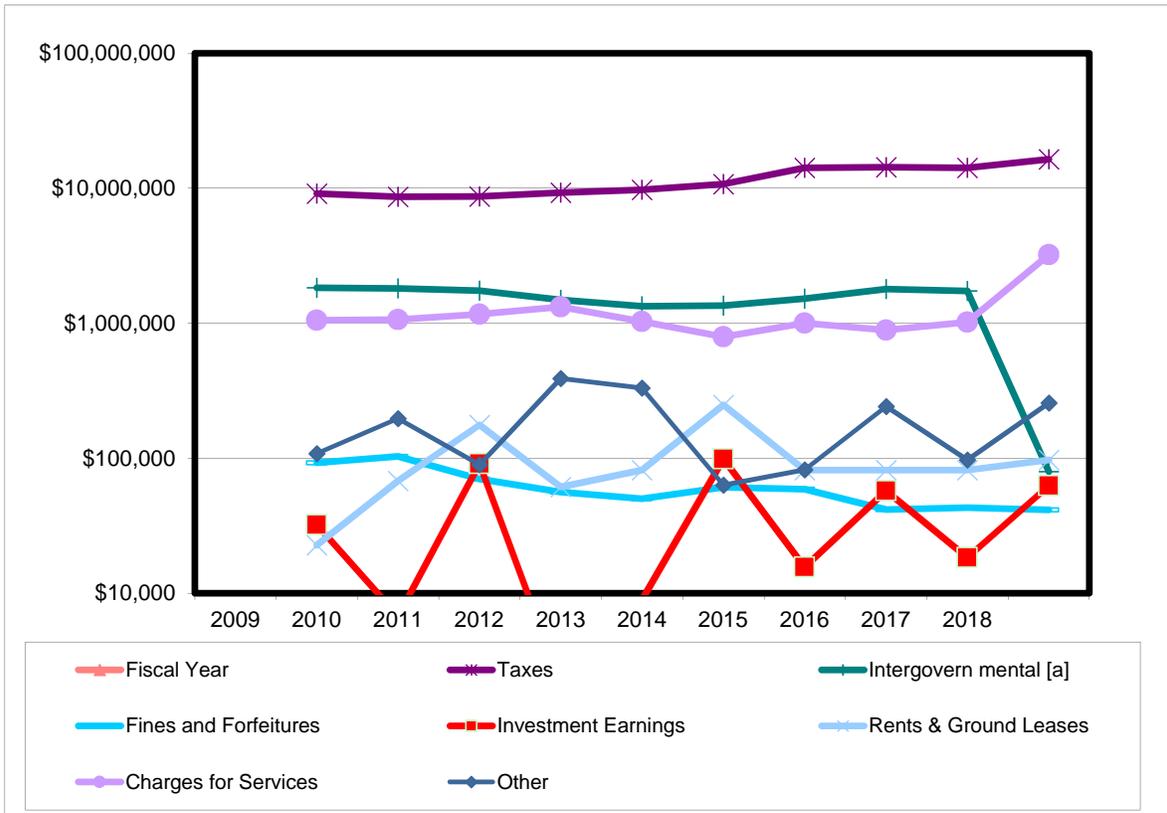
**CITY OF PINOLE**  
NET POSITION BY COMPONENT, Last Ten Fiscal Years

|  | Fiscal Year          |                      |                      |                      |                      |                      |                      |                      |                      |                      |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|  | 2009                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 |
| <b>Governmental activities</b>                     |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 48,481,644        | \$ 42,630,150        | \$ 43,395,278        | \$ 35,021,089        | \$ 35,773,981        | \$ 36,296,765        | \$ 34,962,909        | \$ 33,764,294        | \$ 32,700,833        | \$ 31,758,414        |
| Restricted   | 30,499,599           | 30,499,599           | 32,539,587           | 11,286,730           | 11,530,930           | 2,591,393            | 2,591,393            | 2,591,393            | 17,755,625           | 17,938,328           |
| Unrestricted                                       | (26,814,858)         | (26,628,239)         | (30,862,961)         | 14,727,078           | 11,842,896           | (2,498,114)          | (21,819,095)         | (17,014,950)         | (31,148,654)         | (34,044,994)         |
| <b>Total governmental activities net position</b>  | <b>\$ 52,166,385</b> | <b>\$ 46,501,510</b> | <b>\$ 45,071,904</b> | <b>\$ 61,034,897</b> | <b>\$ 59,147,807</b> | <b>\$ 36,390,044</b> | <b>\$ 15,735,207</b> | <b>\$ 19,340,737</b> | <b>\$ 19,307,804</b> | <b>\$ 15,651,748</b> |
| <b>Business-type activities</b>                    |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 7,816,726         | \$ 10,112,367        | \$ 10,302,367        | \$ 9,444,118         | \$ 9,051,860         | \$ 9,921,073         | \$ 11,223,296        | \$ 13,869,394        | \$ 14,364,860        | \$ 13,381,134        |
| Unrestricted                                       | 4,729,269            | 1,724,352            | 1,848,906            | 3,395,880            | 4,546,425            | 5,205,241            | 4,984,154            | 4,584,135            | 5,649,110            | 6,241,700            |
| <b>Total business-type activities net position</b> | <b>\$ 12,545,995</b> | <b>\$ 11,836,719</b> | <b>\$ 12,151,273</b> | <b>\$ 12,839,998</b> | <b>\$ 13,598,285</b> | <b>\$ 15,126,314</b> | <b>\$ 16,207,450</b> | <b>\$ 18,453,529</b> | <b>\$ 20,013,970</b> | <b>\$ 19,622,834</b> |
| <b>Primary government</b>                          |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Net investment in capital assets                   | \$ 56,298,370        | \$ 52,742,517        | \$ 53,697,645        | \$ 44,465,207        | \$ 44,825,841        | \$ 46,217,838        | \$ 46,186,205        | \$ 47,633,688        | \$ 47,065,693        | \$ 45,139,548        |
| Restricted   | 30,499,599           | 30,499,599           | 32,539,587           | 11,286,730           | 11,530,930           | 2,591,393            | 2,591,393            | 2,591,393            | 17,755,625           | 17,938,328           |
| Unrestricted                                       | (22,085,589)         | (24,903,887)         | (29,014,055)         | 18,122,958           | 16,389,321           | 2,707,127            | (16,834,941)         | (12,430,815)         | (25,499,544)         | (27,803,294)         |
| <b>Total primary government net position</b>       | <b>\$ 64,712,380</b> | <b>\$ 58,338,229</b> | <b>\$ 57,223,177</b> | <b>\$ 73,874,895</b> | <b>\$ 72,746,092</b> | <b>\$ 51,516,358</b> | <b>\$ 31,942,657</b> | <b>\$ 37,794,266</b> | <b>\$ 39,321,774</b> | <b>\$ 35,274,582</b> |

**CITY OF PINOLE**  
**CHANGES IN NET POSITION, Last Ten Fiscal Years**  
*(accrual basis of accounting)*

|   | Fiscal Year   |               |               |               |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          |
| <b>Expenses</b>                           |               |               |               |               |               |               |               |               |               |               |
| Governmental Activities:                  |               |               |               |               |               |               |               |               |               |               |
| General government                        | 9,203,481     | 12,935,189    | 9,176,401     | 6,644,902     | 5,996,378     | 4,718,160     | 4,373,166     | 4,368,671     | 5,952,688     | 3,482,534     |
| Public safety                             | 11,086,383    | 10,627,109    | 9,937,972     | 9,153,942     | 8,855,816     | 9,281,461     | 9,321,934     | 10,086,963    | 10,326,947    | 12,202,527    |
| Public services                           | 2,120,368     | 2,338,079     | 2,395,243     | 2,472,400     | 1,488,713     | 2,685,493     | 2,673,746     | 3,878,498     | 2,568,265     | 3,217,759     |
| Recreation                                | 1,653,907     | 1,463,300     | 1,334,530     | 1,527,911     | 1,467,915     | 1,074,585     | 1,150,267     | 1,067,952     | 1,151,760     | 1,145,227     |
| Community development                     | 7,202,650     | 3,092,568     | 2,904,417     | 3,218,191     | 654,535       | 779,147       | 833,061       | 1,184,385     | 1,065,848     | 1,642,031     |
| Interest and fiscal changes               | 2,817,474     | 2,686,711     | 2,625,791     | 1,345,952     | 149,097       | 280,173       | 290,860       | 305,569       | 338,507       | 331,464       |
| Total governmental activity expenses      | \$ 34,084,263 | \$ 33,142,956 | \$ 28,374,354 | \$ 24,363,298 | \$ 18,612,454 | \$ 18,819,019 | \$ 18,643,034 | \$ 20,892,038 | \$ 21,404,015 | \$ 22,021,542 |
| Business-type activities:                 |               |               |               |               |               |               |               |               |               |               |
| Wastewater utility                        | 5,312,229     | 5,798,474     | 5,081,468     | 4,998,178     | 5,427,396     | 4,859,118     | 4,883,256     | 5,316,022     | 4,597,454     | 5,193,994     |
| Total business-type activities expenses   | 5,312,229     | 5,798,474     | 5,081,468     | 4,998,178     | 5,427,396     | 4,859,118     | 4,883,256     | 5,316,022     | 4,597,454     | 5,193,994     |
| Total primary government expenses         | \$ 39,396,492 | \$ 38,941,430 | \$ 33,455,822 | \$ 29,361,476 | \$ 24,039,850 | \$ 23,678,137 | \$ 23,526,290 | \$ 26,208,060 | \$ 26,001,469 | \$ 27,215,536 |
| <b>Program Revenues</b>                   |               |               |               |               |               |               |               |               |               |               |
| Governmental Activities:                  |               |               |               |               |               |               |               |               |               |               |
| Charges for services:                     |               |               |               |               |               |               |               |               |               |               |
| General government                        | 327,329       | 247,304       | 269,339       | 1,068,236     | 286,722       | 502,094       | 590,359       | 236,512       | 354,357       | 648,409       |
| Public safety                             | 445,951       | 380,755       | 177,931       | 102,560       | 146,658       | 586,131       | 534,095       | 461,330       | 640,785       | 1,435,741     |
| Public services                           | 355,579       | 314,815       | 311,922       | 705,701       | 461,578       | 946,387       | 573,320       | 545,273       | 310,073       | 153,810       |
| Recreation                                | 982,967       | 926,243       | 860,274       | 1,163,599     | 927,758       | 1,195,728     | 998,792       | 871,497       | 783,783       | 846,822       |
| Community development                     | 902,718       | 1,653,268     | 1,990,099     | 534,533       | 1,083,517     | 527,441       | 666,863       | 244,449       | 162,634       | 1,153,907     |
| Operating grants and contributions        | 1,315,613     | 777,009       | 1,025,928     | 2,127,097     | 948,062       | 1,026,339     | 1,203,058     | 1,464,456     | 227,184       | 11,483,081    |
| Capital grants and contributions          | 2,058,926     | 1,306,971     | 2,597,866     | 96,886        | 755,433       | 640,884       | 1,068,087     | 1,094,371     | 1,262,813     | -             |
| Total governmental program revenues       | 6,389,083     | 5,606,365     | 7,233,359     | 5,798,612     | 4,609,728     | 5,425,004     | 5,634,574     | 4,917,888     | 3,741,629     | 15,721,770    |
| Business-type activities:                 |               |               |               |               |               |               |               |               |               |               |
| Charges for services:                     |               |               |               |               |               |               |               |               |               |               |
| Wastewater utility                        | 5,858,159     | 5,159,757     | 5,462,798     | 5,633,904     | 6,179,798     | 6,473,147     | 6,912,213     | 7,541,964     | 6,315,563     | 6,524,537     |
| Capital grants and contributions          | -             | -             | -             | 218,193       | -             | -             | -             | -             | -             | -             |
| Total business-type program revenues      | 5,858,159     | 5,159,757     | 5,462,798     | 5,633,904     | 6,179,798     | 6,473,147     | 6,912,213     | 7,541,964     | 6,315,563     | 6,524,537     |
| Total primary government program revenues | \$ 12,247,242 | \$ 10,766,122 | \$ 12,696,157 | \$ 11,432,516 | \$ 10,789,526 | \$ 11,898,151 | \$ 12,546,787 | \$ 12,459,852 | \$ 10,057,192 | \$ 22,246,307 |
| <b>Net (Expense)/Revenue</b>              |               |               |               |               |               |               |               |               |               |               |
| Net (Expense)/Revenue Governmental        | (27,695,180)  | (27,536,591)  | (21,140,995)  | (18,564,686)  | (14,002,726)  | (13,394,015)  | (13,008,460)  | (15,974,150)  | (17,662,386)  | (6,299,772)   |
| Net (Expense)/Revenue Business-type       | 545,930       | (638,717)     | 381,330       | 635,726       | 752,402       | 1,614,029     | 2,028,957     | 2,225,942     | 1,718,109     | 1,330,543     |
| Total primary government net expense      | (27,149,250)  | (28,175,308)  | (20,759,665)  | (17,928,960)  | (13,250,324)  | (11,779,986)  | (10,979,503)  | (13,748,208)  | (15,944,277)  | (4,969,229)   |
| <b>Change in Net Position</b>             |               |               |               |               |               |               |               |               |               |               |
| Governmental activities                   | (5,850,126)   | (5,850,126)   | (1,429,606)   | 15,894,132    | (1,987,090)   | (22,757,764)  | (4,193,825)   | (2,388,176)   | (32,933)      | 12,710,019    |
| Business-type activities                  | 443,778       | 443,778       | 314,554       | 688,725       | 758,287       | 1,602,798     | (2,037,223)   | (2,246,079)   | 1,721,679     | 1,389,501     |
| Total primary government                  | (5,406,348)   | (5,406,348)   | (1,115,052)   | 16,582,857    | (1,128,803)   | (21,154,966)  | (6,231,048)   | (4,634,255)   | 1,688,746     | 14,099,520    |

**CITY OF PINOLE**  
**GENERAL FUND REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**



| Fiscal Year | Taxes      | Intergovernmental [a] | Fines and Forfeitures | Investment Earnings | Rents & Ground Leases | Charges for Services | Other   | Total      |
|-------------|------------|-----------------------|-----------------------|---------------------|-----------------------|----------------------|---------|------------|
| 2009        | 9,099,405  | 1,827,646             | 92,339                | 32,005              | 22,699                | 1,053,620            | 107,996 | 12,235,710 |
| 2010        | 8,614,947  | 1,808,552             | 102,911               | 6,743               | 67,875                | 1,064,294            | 196,797 | 11,862,119 |
| 2011        | 8,694,631  | 1,737,225             | 70,090                | 90,884              | 175,993               | 1,168,148            | 89,656  | 12,026,627 |
| 2012        | 9,244,495  | 1,485,968             | 56,190                | 2,172               | 61,088                | 1,322,376            | 389,207 | 12,561,496 |
| 2013        | 9,742,628  | 1,334,648             | 50,170                | 8,930               | 81,450                | 1,030,270            | 330,722 | 12,578,818 |
| 2014        | 10,747,165 | 1,350,069             | 60,734                | 98,669              | 247,709               | 790,618              | 63,210  | 13,358,174 |
| 2015        | 14,143,789 | 1,515,953             | 58,863                | 15,621              | 81,450                | 999,977              | 81,988  | 16,897,641 |
| 2016        | 14,295,535 | 1,785,007             | 41,564                | 57,271              | 81,450                | 887,723              | 241,328 | 17,389,878 |
| 2017        | 14,165,943 | 1,731,199             | 43,051                | 18,357              | 81,510                | 1,015,972            | 96,871  | 17,152,904 |
| 2018        | 16,363,136 | 79,426                | 41,279                | 62,567              | 97,027                | 3,216,590            | 256,359 | 20,116,384 |

Source: City of Pinole Finance

Notes:

Encompasses general government revenue within the General Fund and Measure S funds.  
[a] Grouping changed in FY 2018. Motor Vehicle Fees are now grouped in Charges for Services.

**CITY OF PINOLE**  
**FUND BALANCES, GOVERNMENTAL FUNDS, Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

|   | 2009               | 2010               | 2011              | 2012              | 2013              | 2014              | 2015              | 2016              | 2017              | 2018              |
|---|--------------------|--------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>General Fund</b>                       |                    |                    |                   |                   |                   |                   |                   |                   |                   |                   |
| Nonspendable                              |                    |                    | \$ 27,912,972     | \$ 11,299,227     | \$ 8,950,035      | \$ 11,157         | \$ -              | \$ 7,275          | \$ 6,712          | \$ 12,669         |
| Restricted                                |                    |                    | 1,128,091         | -                 | -                 | -                 | -                 | -                 | -                 | 133,586           |
| Assigned                                  |                    |                    | -                 | 1,587,255         | 2,209,430         | 2,899,585         | 1,030,000         | -                 | -                 | 2,531,677         |
| Committed                                 |                    |                    | 244,040           | -                 | 12,599,292        | -                 | -                 | -                 | -                 | -                 |
| Unassigned                                | (2,197,539)        | (3,079,187)        | (4,808,526)       | 20,730,658        | (3,464,498)       | (2,914,406)       | 4,261,995         | 9,062,287         | 11,700,289        | 23,249,204        |
| <b>Total General Fund</b>                 | <b>(2,197,539)</b> | <b>(3,079,187)</b> | <b>24,476,577</b> | <b>33,617,140</b> | <b>20,294,259</b> | <b>(3,664)</b>    | <b>5,291,995</b>  | <b>9,069,562</b>  | <b>11,707,001</b> | <b>25,927,136</b> |
| <b>All Other Governmental Funds</b>       |                    |                    |                   |                   |                   |                   |                   |                   |                   |                   |
| Nonspendable                              |                    |                    | \$ 3,213,536      | \$ 3,060,465      | \$ 7,023,664      | \$ 2,591,393      | \$ 14,074,122     | \$ 2,591,393      | \$ 6,882,968      | \$ -              |
| Restricted                                | 25,220,985         | 25,616,997         | 19,333,368        | 3,060,465         | 6,787,458         | 15,103,453        | 3,661,477         | 11,665,834        | 10,872,657        | 18,250,952        |
| Assigned                                  |                    |                    | -                 | -                 | 1,340,327         | 783,083           | -                 | -                 | -                 | 2,366,429         |
| Committed                                 |                    |                    | -                 | -                 | -                 | -                 | -                 | -                 | 2,304,515         | -                 |
| Unassigned reported in:                   |                    |                    |                   |                   |                   |                   |                   |                   |                   |                   |
| Special revenue funds                     | 841,988            | 441,901            | -                 | -                 | -                 | -                 | (611,270)         | 4,248,108         | (371,162)         | (43,673)          |
| Capital project funds                     | 19,786,143         | 17,887,607         | (3,651,080)       | -                 | 933,006           | (24,842)          | (265,778)         | -                 | -                 | -                 |
| Debt service funds                        | 5,278,900          | 4,882,602          | -                 | -                 | -                 | (3,018,401)       | -                 | -                 | -                 | -                 |
| <b>Total all other governmental funds</b> | <b>51,128,016</b>  | <b>48,829,107</b>  | <b>18,895,824</b> | <b>3,060,465</b>  | <b>16,084,455</b> | <b>15,434,686</b> | <b>16,858,551</b> | <b>18,505,335</b> | <b>19,688,978</b> | <b>20,573,708</b> |

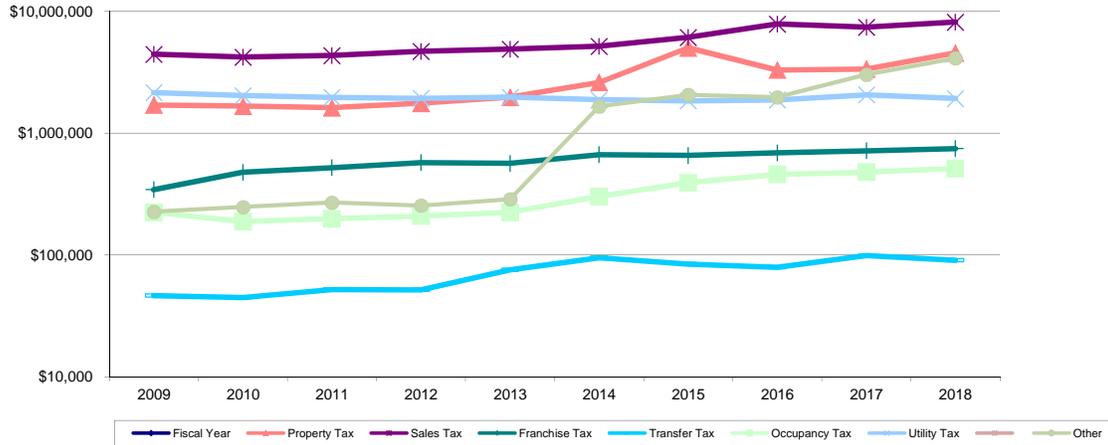
Notes:

[1] Fund balance increased as a result of revenue in excess of expenditures at fiscal year-end. Sale of property in General Fund.

**CITY OF PINOLE**  
**CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS, Last Ten Fiscal Years**  
*(modified accrual basis of accounting)*

|  | Fiscal Year    |                |                |                |               |                 |               |               |               |               |
|--|----------------|----------------|----------------|----------------|---------------|-----------------|---------------|---------------|---------------|---------------|
|  | 2009           | 2010           | 2011           | 2012           | 2013          | 2014            | 2015          | 2016          | 2017          | 2018          |
| <b>Revenues</b>                                |                |                |                |                |               |                 |               |               |               |               |
| Taxes  | \$ 19,060,207  | \$ 18,229,886  | \$ 18,011,799  | \$ 13,474,038  | \$ 10,373,826 | \$ 11,456,712   | \$ 15,111,311 | \$ 15,111,374 | \$ 15,453,213 | \$ 16,599,387 |
| Intergovernmental                              | 4,496,696      | 3,444,800      | 4,483,867      | 3,427,388      | 2,745,954     | 3,426,928       | 3,313,973     | 3,462,621     | 877,090       | 1,460,655     |
| Loan repayments                                | 211,784        | 253,473        | 371,220        | 109,343        | 48,464        | 108,021         | 45,666        | 85,849        | 145,457       | 15,023        |
| Contributions                                  | 35,708         | 33,654         | 487,733        | 96,886         | 174,153       | 94,032          | 51,313        | 65,317        | 146,112       | 30,595        |
| Investment earnings                            | 1,027,361      | 986,963        | 386,330        | 22,214         | 113,723       | 595,808         | 311,168       | 188,790       | 16,188        | 88,092        |
| Rents and ground leases                        | 645,932        | 585,663        | 935,524        | 821,723        | 301,537       | 273,435         | 264,301       | 224,952       | 300,441       | 303,618       |
| Charges for service                            | 2,576,862      | 2,828,314      | 2,601,486      | 2,694,734      | 2,543,872     | 2,645,656       | 2,929,952     | 3,892,535     | 3,997,423     | 5,307,234     |
| Fines, forfeitures and penalties               | 114,191        | 108,408        | 72,555         | 58,172         | 50,170        | 60,734          | 58,863        | 41,564        | 48,442        | 75,670        |
| Gain (loss) on sale of property                |                | 662,667        | (324,000)      | (1,192,929)    |               |                 |               |               |               |               |
| Other revenues                                 | 177,180        | 586,121        | 189,455        | 451,942        | 405,411       | 137,713         | 778,737       | 365,857       | 532,173       | 834,086       |
| Total revenues                                 | 28,345,921     | 27,719,949     | 27,215,969     | 19,963,511     | 16,757,110    | 18,799,039      | 22,865,284    | 23,438,859    | 21,516,539    | 24,714,360    |
| <b>Expenditures</b>                            |                |                |                |                |               |                 |               |               |               |               |
| General administration                         | 6,950,440      | 9,353,968      | 6,256,560      | 3,689,592      | 2,903,879     | 2,506,878       | 2,411,271     | 3,007,506     | 3,035,822     | 3,257,220     |
| Public safety                                  | 10,602,829     | 10,346,903     | 9,795,550      | 9,051,515      | 8,807,959     | 9,206,393       | 9,165,922     | 9,635,264     | 10,067,977    | 10,535,903    |
| Public services                                | 832,163        | 787,202        | 699,286        | 904,149        | 696,343       | 1,822,928       | 1,628,204     | 2,460,827     | 1,712,315     | 1,485,090     |
| Recreation                                     | 1,444,232      | 1,375,288      | 1,265,595      | 1,467,895      | 1,439,933     | 1,038,572       | 1,107,168     | 906,302       | 1,042,006     | 960,325       |
| Community development                          | 4,326,084      | 1,714,710      | 2,791,106      | 584,483        | 1,520,667     | 742,413         | 818,580       | 945,646       | 935,276       | 1,596,240     |
| Debt service - Principal                       | 2,940,181      | 3,315,659      | 3,141,278      | 3,148,966      | 334,287       | 381,144         | 373,007       | 369,177       | 363,151       | 361,674       |
| Debt service - Interest                        | 2,849,081      | 2,726,847      | 2,678,865      | 1,345,952      | 149,097       | 280,173         | 290,860       | 305,569       | 338,507       | 331,464       |
| Capital outlay                                 | 2,453,529      | 3,488,787      | 3,065,250      | 1,002,678      | 1,209,901     | 1,598,513       | 368,007       | 1,289,967     | 200,403       | 1,098,789     |
| Total expenditures                             | 32,398,539     | 33,109,364     | 29,693,490     | 21,195,230     | 17,062,066    | 17,577,014      | 16,163,019    | 18,920,258    | 17,695,457    | 19,626,705    |
| <b>Other financing sources (uses)</b>          |                |                |                |                |               |                 |               |               |               |               |
| Bond, note and loan proceeds                   | -              | -              | -              | 296,926        | -             | -               | 458,000       | -             | -             | -             |
| Capital lease financing                        | -              | -              | -              | -              | -             | -               | -             | -             | -             | -             |
| Gain (loss) on sale of property                | -              | (88,681)       | -              | -              | 6,064         | 6,559           | 17,259        | 1,909         | 671,364       | 10,017,210    |
| Transfers in                                   | -              | -              | -              | -              | -             | -               | 447,050       | 446,000       | (671,364)     | 826,926       |
| Transfers out                                  | -              | -              | -              | -              | -             | -               | (447,050)     | (446,000)     | -             | (826,926)     |
| Transfers from enterprise fund                 | 100,000        | 100,000        | 100,000        | -              | -             | -               | -             | -             | -             | -             |
| Extraordinary item                             | -              | -              | -              | (5,828,864)    | -             | (22,634,276)    | -             | -             | -             | -             |
| Total other financing sources                  | 100,000        | 11,319         | 100,000        | (5,531,938)    | 6,064         | (22,169,717)    | 17,259        | 1,909         | -             | 10,017,210    |
| Net change in fund balance                     | \$ (3,952,618) | \$ (5,378,096) | \$ (2,377,521) | \$ (6,763,657) | \$ (298,892)  | \$ (20,947,692) | \$ 6,719,524  | \$ 4,520,510  | \$ 3,821,082  | \$ 15,104,865 |
| Debt service as a % of noncapital expenditures | 19.3%          | 20.4%          | 21.9%          | 22.3%          | 3.0%          | 4.1%            | 4.2%          | 3.8%          | 4.0%          | 3.7%          |

**CITY OF PINOLE**  
**GENERAL FUND TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**



| Fiscal Year | (b)          |           |               |              | (a)           |             |           | (c)        | Total |
|-------------|--------------|-----------|---------------|--------------|---------------|-------------|-----------|------------|-------|
|             | Property Tax | Sales Tax | Franchise Tax | Transfer Tax | Occupancy Tax | Utility Tax | Other     |            |       |
| 2009        | 1,703,228    | 4,442,990 | 343,904       | 46,397       | 223,294       | 2,150,325   | 226,464   | 9,136,602  |       |
| 2010        | 1,665,429    | 4,209,559 | 477,315       | 44,699       | 187,746       | 2,030,198   | 247,304   | 8,862,250  |       |
| 2011        | 1,616,403    | 4,341,619 | 520,446       | 52,049       | 198,027       | 1,966,077   | 269,339   | 8,963,960  |       |
| 2012        | 1,757,441    | 4,688,836 | 572,499       | 51,630       | 208,498       | 1,930,758   | 254,140   | 9,463,802  |       |
| 2013        | 1,974,485    | 4,896,120 | 565,095       | 75,542       | 223,413       | 1,975,666   | 286,721   | 9,997,042  |       |
| 2014        | 2,606,245    | 5,164,841 | 667,030       | 94,992       | 302,329       | 1,880,224   | 1,657,596 | 12,373,257 |       |
| 2015        | 5,016,239    | 6,120,157 | 656,564       | 84,136       | 391,165       | 1,843,618   | 2,063,629 | 16,175,509 |       |
| 2016        | 3,302,472    | 7,859,195 | 687,737       | 79,181       | 459,393       | 1,876,318   | 1,971,889 | 16,236,185 |       |
| 2017        | 3,354,479    | 7,411,905 | 717,013       | 98,593       | 478,940       | 2,066,623   | 3,025,352 | 17,152,904 |       |
| 2018        | 4,555,300    | 8,162,816 | 747,625       | 90,328       | 513,368       | 1,926,796   | 4,120,151 | 20,116,384 |       |

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

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

(c) Includes Business License Taxes

Source: City of Pinole Finance

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

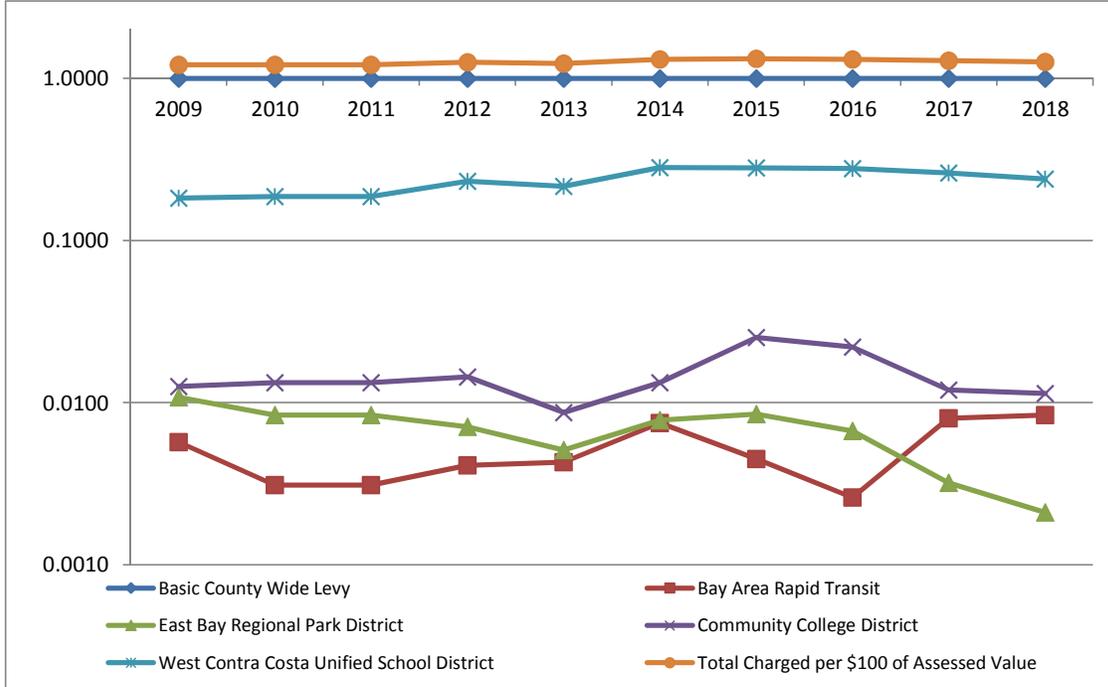
| Fiscal Year | Residential   | Commercial  | Unsecured  | All Other Assessment Categories | Net Taxable Assessed Value [1] | Total Direct Tax Rate | Estimated Actual Taxable Value |
|-------------|---------------|-------------|------------|---------------------------------|--------------------------------|-----------------------|--------------------------------|
| 2009        | 1,555,912,705 | 311,156,753 | 50,175,451 | 67,946,873                      | 1,985,191,782                  | 0.1884%               | 2,359,201,914                  |
| 2010        | 1,379,735,626 | 350,603,828 | 52,691,843 | 60,618,613                      | 1,843,649,910                  | 0.1884%               | 2,190,993,553                  |
| 2011        | 1,355,128,439 | 347,394,282 | 52,456,924 | 57,122,367                      | 1,812,102,012                  | 0.1884%               | 2,153,502,031                  |
| 2012        | 1,307,568,620 | 344,375,136 | 54,954,754 | 35,250,991                      | 1,742,149,501                  | 0.1884%               | 2,070,370,467                  |
| 2013        | 1,260,099,385 | 336,541,044 | 51,157,272 | 34,800,305                      | 1,682,598,006                  | 0.1884%               | 1,999,599,470                  |
| 2014        | 1,322,470,290 | 326,179,820 | 55,296,246 | 55,855,398                      | 1,759,801,754                  | 0.1884%               | 2,091,348,404                  |
| 2015        | 1,496,137,773 | 339,520,240 | 63,501,588 | 75,328,519                      | 1,974,488,120                  | 0.1884%               | 2,346,481,682                  |
| 2016        | 1,607,057,208 | 373,896,531 | 57,423,148 | 74,378,826                      | 2,112,755,713                  | 0.1884%               | 2,510,798,889                  |
| 2017        | 1,712,024,334 | 424,465,946 | 52,646,667 | 42,853,459                      | 2,231,990,406                  | 0.1884%               | 2,652,497,398                  |
| 2018        | 1,815,946,452 | 437,410,538 | 50,669,026 | 55,481,949                      | 2,359,507,965                  | 0.1884%               | 2,804,039,266                  |

Notes:

[1] Actual market value of taxable property.

Source : Contra Costa County Assessor's Office

**CITY OF PINOLE**  
**DIRECT AND OVERLAPPING**  
**PROPERTY TAX LEVIED**  
**PER \$100 OF ASSESSED VALUE**  
**LAST TEN FISCAL YEARS**



| Fiscal Year | Basic County Wide Levy | Bay Area Rapid Transit | East Bay Regional Park District | Community College District | West Contra Costa Unified School District | Total Charged per \$100 of Assessed Value |
|-------------|------------------------|------------------------|---------------------------------|----------------------------|---|---|
| 2009        | 1.0000                 | 0.0057                 | 0.0108                          | 0.0126                     | 0.1828                                    | 1.2119                                    |
| 2010        | 1.0000                 | 0.0031                 | 0.0084                          | 0.0133                     | 0.1869                                    | 1.2117                                    |
| 2011        | 1.0000                 | 0.0031                 | 0.0084                          | 0.0133                     | 0.1869                                    | 1.2117                                    |
| 2012        | 1.0000                 | 0.0041                 | 0.0071                          | 0.0144                     | 0.2322                                    | 1.2578                                    |
| 2013        | 1.0000                 | 0.0043                 | 0.0051                          | 0.0087                     | 0.2157                                    | 1.2338                                    |
| 2014        | 1.0000                 | 0.0075                 | 0.0078                          | 0.0133                     | 0.2818                                    | 1.3104                                    |
| 2015        | 1.0000                 | 0.0045                 | 0.0085                          | 0.0252                     | 0.2803                                    | 1.3185                                    |
| 2016        | 1.0000                 | 0.0026                 | 0.0067                          | 0.0220                     | 0.2781                                    | 1.3094                                    |
| 2017        | 1.0000                 | 0.0080                 | 0.0032                          | 0.0120                     | 0.2604                                    | 1.2836                                    |
| 2018        | 1.0000                 | 0.0084                 | 0.0021                          | 0.0114                     | 0.2397                                    | 1.2616                                    |

Source : Contra Costa County Auditor-Controller Office

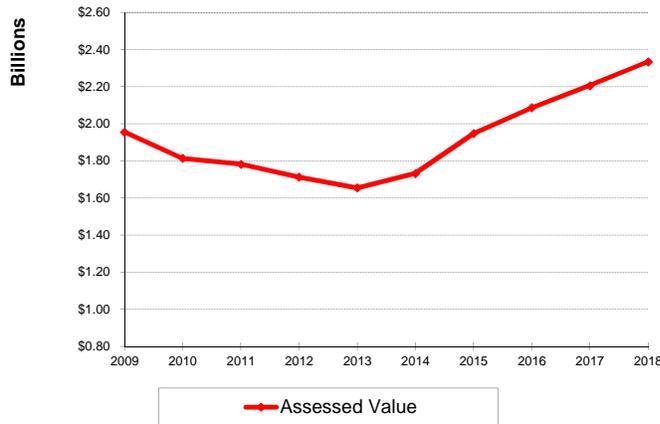
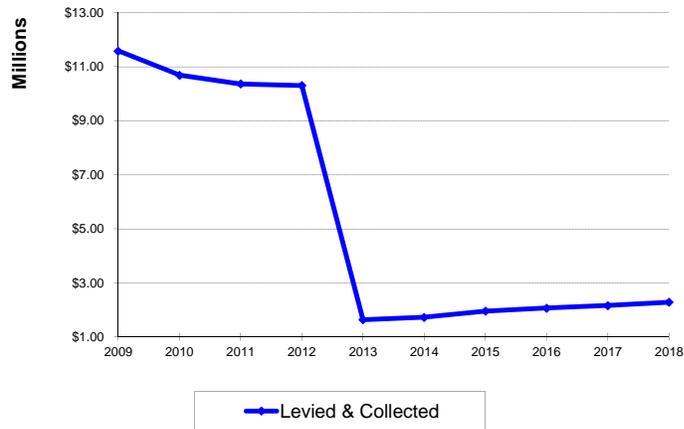
**CITY OF PINOLE**  
**PRINCIPAL PROPERTY TAXPAYERS**  
 JUNE 30, 2018

| 2008-09                       |                           |  | 2017-18                           |                           |  |
|-------------------------------|---------------------------|--|-----------------------------------|---------------------------|--|
| Taxpayer                      | Taxable<br>Assessed Value | Percent of Total<br>City Taxable<br>Assessed Value | Taxpayer                          | Taxable<br>Assessed Value | Percent of Total<br>City Taxable<br>Assessed Value |
| Alpha Beta Company            | \$ 13,971,082             | 1.21%  | AMFP III Bayside                  | \$ 25,670,412             | 1.11%  |
| Appian Associates             | \$ 14,444,420             | 1.25%  | Appian Associates                 | \$ 16,347,803             | 0.71%  |
| Dayton Hudson Corporation     | \$ 16,485,944             | 1.42%  | Che Chen and Shu Fen Liu Trust    | \$ 21,937,975             | 0.95%  |
| Jackson Retail Venture LLC    | \$ 15,000,000             | 1.29%  | Gateway Pinole Vista LLC          | \$ 68,119,520             | 2.95%  |
| KW Pinole LLC                 | \$ 20,391,840             | 1.70%  | Kaiser Foundation Health Plan     | \$ 35,835,849             | 1.55%  |
| Peter L. & Shelly Thigpen LLC | \$ 20,943,497             | 1.74%  | NHI-Reit of Next House LLC        | \$ 20,206,335             | 0.88%  |
| Pinole Dundee One LLC         | \$ 19,507,500             | 1.68%  | ROIC Pinole Vista LLC             | \$ 22,946,034             | 0.99%  |
| Pinole Redevelopment Agency   | \$ 77,646,245             | 4.50%  | SCG Pinole Valley Shopping Center | \$ 40,186,911             | 1.74%  |
| Pinole Vista LLC              | \$ 22,914,008             | 1.98%  | Target Corporation                | \$ 18,658,368             | 0.81%  |
| Thomas J. Fitzgerald Trust    | \$ 13,345,552             | 1.15%  | Thomas J. Fitzgerald Trust        | \$ 15,980,242             | 0.69%  |
|                               | <u>\$ 234,650,088</u>     | <u>17.92%</u>                                      |                                   | <u>\$ 285,889,449</u>     | <u>12.38%</u>                                      |

Source: Hdl Coren & Cone  
 Contra Costa County Assessor

Note: Information is shown in alphabetical order.

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



| Fiscal Year | City Property Tax Levied & Collected | Redevelopment/ Successor Agency Property Tax Levied & Collected | Total Property Tax Levied & Collected | Percent of Levy Collected [3] | Value of City Property Subject to Local Tax Rate | Value of Redevelopment Property Subject to Local Tax Rate | Local Tax Rate Applied to Assessed Value | Effective Taxrate for City Levy | Effective Taxrate for Redevelopment Agency Levy |
|-------------|--------------------------------------|---|---------------------------------------|-------------------------------|--|---|--|---------------------------------|---|
| 2009        | 2,248,837                            | 9,329,281   | 11,578,118                            | 100%                          | 985,961,247                                      | 968,900,856   | 1,954,862,103                            | 0.23%                           | 0.96%   |
| 2010        | 1,666,933                            | 9,019,028   | 10,685,961                            | 100%                          | 889,861,914                                      | 923,122,635   | 1,812,984,549                            | 0.19%                           | 0.98%   |
| 2011        | 1,708,156                            | 8,652,264   | 10,360,420                            | 100%                          | 882,752,227                                      | 899,021,556   | 1,781,773,783                            | 0.19%                           | 0.96%   |
| 2012        | 1,578,328                            | 8,724,669   | 10,302,997                            | 100%                          | 859,343,223                                      | 853,177,005   | 1,712,520,228                            | 0.18%                           | 1.02%   |
| 2013        | 1,538,826                            | 105,121   | 1,643,946                             | 100%                          | 824,577,292                                      | 829,059,723   | 1,653,637,015                            | 0.19%                           | 0.01%   |
| 2014        | 1,622,419                            | 105,121   | 1,727,540                             | 100%                          | 868,918,982                                      | 862,888,372   | 1,731,807,354                            | 0.19%                           | 0.01%   |
| 2015        | 1,856,378                            | 105,121   | 1,961,498                             | 100%                          | 990,967,092                                      | 956,240,628   | 1,947,207,720                            | 0.19%                           | 0.01%   |
| 2016        | 1,967,011                            | 105,121   | 2,072,131                             | 100%                          | 1,048,130,045                                    | 1,037,786,268   | 2,085,916,313                            | 0.19%                           | 0.01%   |
| 2017        | 2,059,786                            | 104,251   | 2,164,037                             | 100%                          | 1,105,435,408                                    | 1,100,258,798   | 2,205,694,206                            | 0.19%                           | 0.01%   |
| 2018        | 2,185,033                            | 104,295   | 2,289,328                             | 100%                          | 1,170,940,384                                    | 1,162,783,781   | 2,333,724,165                            | 0.19%                           | 0.01%   |

Source: Contra Costa County

Notes:

- [1] Redevelopment Agency [Component Financial Unit] dissolved effective 02/01/2012 pursuant to State Law (ABx1-26)
- [2] The City of Pinole serves as the Successor Agency to the Pinole Redevelopment Agency which dissolved effective 02/01/2012 pursuant to State Law (ABx1-26)
- [3] Pursuant to Revenue & Taxation Code 4701 all property taxes levied are distributed by County Costa County to the City (reference Footnote 1)

**CITY OF PINOLE**  
**TAXABLE SALES BY CATEGORY**  
**LAST TEN FISCAL YEARS**

|                              | 2008-09          | 2009-10          | 2010-11          | 2011-12          | 2012-13          | 2013-14          | 2014-15          | 2015-16          | 2016-17          | 2017-18          |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Major Business Groups</b> |                  |                  |                  |                  |                  | [a]              | [b]              |                  |                  |                  |
| Autos and Transportation     | \$ 112,522       | \$ 114,282       | \$ 120,748       | \$ 121,195       | \$ 127,938       | \$ 124,234       | \$ 128,585       | \$ 143,531       | \$ 142,634       | \$ 129,758       |
| Building and Construction    | 247,085          | 187,069          | 178,788          | 177,786          | 194,806          | 205,843          | 228,851          | 235,399          | 256,743          | 252,433          |
| Business and Industry        | 115,425          | 98,042           | 94,315           | 90,571           | 114,078          | 90,046           | 74,621           | 74,664           | 69,064           | 68,148           |
| Food and Drugs               | 298,175          | 310,750          | 318,983          | 322,851          | 327,071          | 332,824          | 369,426          | 354,347          | 366,064          | 376,151          |
| Fuel and Service Stations    | 312,149          | 284,716          | 370,647          | 392,505          | 428,169          | 426,327          | 431,453          | 393,583          | 355,390          | 362,450          |
| General Consumer Goods       | 1,233,117        | 1,080,208        | 1,107,978        | 1,147,145        | 1,182,031        | 1,182,294        | 1,229,774        | 1,298,176        | 1,343,309        | 1,347,691        |
| Restaurants and Hotels       | 476,528          | 473,217          | 480,453          | 533,913          | 576,500          | 618,795          | 660,763          | 711,659          | 715,966          | 715,885          |
| Adjustments & Others         | (1,970)          | -                | -                | -                | -                | 35,173           | (50,925)         | 24,448           | -                | 506              |
| Point of Sale s/totals       | 2,793,031        | 2,548,284        | 2,671,912        | 2,785,966        | 2,950,593        | 3,015,536        | 3,072,548        | 3,235,807        | 3,249,170        | 3,253,022        |
| County Pool Allocations      | 280,676          | 248,972          | 336,207          | 320,353          | 311,692          | 366,939          | 408,386          | 431,500          | 499,708          | 490,660          |
| State Pool Allocations       | 1,452            | 2,265            | 1,200            | 1,000            | 1,571            | 2,064            | 2,129            | 2,400            | 2,637            | 1,903            |
| Local Transaction Tax [a]    | 1,411,024        | 1,384,641        | 1,530,888        | 1,592,160        | 1,684,995        | 1,796,832        | 1,894,578        | 3,789,711        | 3,953,872        | 4,089,586        |
| Administrative Cost - SBE    | (43,193)         | (44,986)         | (47,160)         | (48,012)         | (49,811)         | (54,106)         | (58,890)         | (82,268)         | (95,537)         | (90,183)         |
| <b>Fiscal Year Totals \$</b> | <b>4,442,990</b> | <b>4,139,176</b> | <b>4,493,047</b> | <b>4,651,467</b> | <b>4,899,040</b> | <b>5,127,265</b> | <b>5,318,751</b> | <b>7,377,150</b> | <b>7,609,850</b> | <b>7,744,988</b> |
| City Direct Sales Tax Rate   | 1.25%            | 1.25%            | 1.25%            | 1.25%            | 1.25%            | 1.25%            | 1.25%            | 1.75%            | 1.75%            | 1.75%            |

Notes:

[a] "Adjustment" reflects "True-up" reconciliation payment for "Triple-Flip" Reimbursement for State Fiscal Recovery Bond Financing Program.

[b] Effective 04/01/15 additional 1/2% local transaction tax (Measure "S" 2014) authorized

Source: Hdl. Coren & Cone

**CITY OF PINOLE**  
**DIRECT AND OVERLAPPING SALES TAX RATES**  
**LAST TEN FISCAL YEARS YEARS**

| Taxing Jurisdiction / Purpose             | 2008-09      | 2009-10      | 2010-11      | 2011-12      | 2012-13      | 2013-14      | 2014-15      | 2015-16      | 2016-17      | 2017-18      |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| [c]                                       |              |              |              |              |              |              |              |              |              |              |
| <b>Overlapping Sales Taxes</b>            |              |              |              |              |              |              |              |              |              |              |
| State General Fund                        | 5.50%        | 5.50%        | 5.00%        | 5.00%        | 5.00%        | 5.00%        | 5.00%        | 5.00%        | 5.00%        | 5.00%        |
| State Fiscal Recovery Fund                | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.00%        | 0.00%        |
| State Education Protection Account        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        |
| County Health & Welfare Programs          | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        |
| [a] City/County Public Safety Programs    | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        |
| Contra Costa Transportation Authority     | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        |
| Bay Area Rapid Transit                    | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        |
| West County Transit Authority             | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        | 0.25%        |
| <b>Overlapping Sales Taxes</b>            | <b>8.00%</b> | <b>8.00%</b> | <b>7.50%</b> | <b>7.50%</b> | <b>7.75%</b> | <b>7.75%</b> | <b>7.75%</b> | <b>7.75%</b> | <b>7.50%</b> | <b>7.50%</b> |
| <b>City Direct Sales Taxes</b>            |              |              |              |              |              |              |              |              |              |              |
| Bradley Burns Authority                   | 0.75%        | 0.75%        | 0.75%        | 0.75%        | 0.75%        | 0.75%        | 0.75%        | 0.75%        | 0.75%        | 0.75%        |
| [b] Measure "S" Authority - 2006          | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        | 0.50%        |
| [c] Measure "S" Authority - 2014          | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.50%        | 0.50%        | 0.50%        |
| <b>Direct Sales Taxes</b>                 | <b>1.25%</b> | <b>1.25%</b> | <b>1.25%</b> | <b>1.25%</b> | <b>1.25%</b> | <b>1.25%</b> | <b>1.75%</b> | <b>1.75%</b> | <b>1.75%</b> | <b>1.75%</b> |
| [d] Total Sales Tax Levy - City of Pinole | 9.25%        | 9.25%        | 8.75%        | 8.75%        | 9.00%        | 9.00%        | 9.50%        | 9.50%        | 9.25%        | 9.25%        |

**Notes:**

- [a] Effective 01/01/94 SCA-1 (Proposition-172) additional 1/2% statewide sales tax restricted to public safety programs
- [b] Effective 04/01/07 additional 1/2% local transaction tax (Measure "S" 2006) authorized
- [c] Effective 04/01/15 additional 1/2% local transaction tax (Measure "S" 2014) authorized
- [d] The City direct sales tax rate may only be changed with ratification by the electors of the City. The maximum levy permitted by the State Legislature for combined direct and overlapping sales tax is 9.5%

Source: California State Board of Equalization

**CITY OF PINOLE**  
**TOP 25 SALES TAX PRODUCERS**  
**YEAR ENDED JUNE 30, 2018**

| BUSINESS NAME                 | BUSINESS CATEGORY            |
|-------------------------------|------------------------------|
| APPIAN CHEVRON                | SERVICE STATIONS             |
| APPLEBEES                     | CASUAL DINING                |
| BEST BUY                      | ELECTRONICS/APPLIANCE STORES |
| BEVERAGES & MORE              | CONVENIENCE STORES/LIQUOR    |
| BURLINGTON COAT FACTORY       | FAMILY APPAREL               |
| DOLAN'S PINOLE LUMBER         | BUILDING MATERIALS           |
| FOOD MAXX                     | GROCERY STORES               |
| IN-N-OUT BURGER               | QUICK-SERVICE RESTAURANTS    |
| K-MART                        | DISCOUNT DEPARTMENT STORES   |
| MICHAELS ARTS & CRAFTS        | ART/GIFT/NOVELTY STORES      |
| ORCHARD SUPPLY HARDWARE       | BUILDING MATERIALS           |
| O'REILLY AUTO PARTS           | AUTOMOTIVE SUPPLY STORES     |
| ORIGINAL MELS DINER           | CASUAL DINING                |
| PETSMART                      | SPECIALTY STORES             |
| PINOLE CHEVRON                | SERVICE STATIONS             |
| PINOLE FLYERS                 | SERVICE STATIONS             |
| PINOLE VISTA SHELL            | SERVICE STATIONS             |
| SAFEWAY                       | GROCERY STORES               |
| SMART STOP                    | SERVICE STATIONS             |
| SUGAR CITY BUILDING MATERIALS | BUILDING MATERIALS           |
| TARGET                        | DISCOUNT DEPARTMENT STORES   |
| TJ MAXX                       | FAMILY APPAREL               |
| TRADER JOES                   | GROCERY STORES               |
| ULTA                          | SPECIALTY STORES             |
| VALERO CORNER STORE           | SERVICE STATIONS             |

**PERCENT OF FISCAL YEAR TOTAL PAID BY TOP 25 ACCOUNTS = 61%**

Source: State Board of Equalization (HdL Companies)

Note: Information is shown in alphabetical order.

**CITY OF PINOLE**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS YEARS**

| Fiscal Year | Governmental Activities |                    |                     |                |                          | Business-type Activities         |            |      |          |  | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-------------------------|--------------------|---------------------|----------------|--------------------------|----------------------------------|------------|------|----------|--|--------------------------|-------------------------------|------------|
|             | Redevelopment Bonds     | Pension Obligation | Notes and Mortgages | Capital Leases | Wastewater Revenue Bonds | Clean Water State Revolving Fund |            |      |          |  |                          |                               |            |
| 2009        | 53,455,000              | 5,960,143          | 801,398             | 281,536        | 9,995,000                |                                  | 70,493,077 | 8.8% | \$ 3,637 |  |                          |                               |            |
| 2010        | 50,790,000              | 5,647,063          | 719,797             | 75,456         | 9,810,000                |                                  | 67,042,316 | 8.7% | \$ 3,428 |  |                          |                               |            |
| 2011        | 48,115,000              | 5,344,171          | 631,867             | -              | 9,620,000                |                                  | 63,711,038 | 7.9% | \$ 3,451 |  |                          |                               |            |
| 2012        | 45,315,000              | 5,047,180          | 987,385             | 296,925        | 9,420,000                |                                  | 61,066,490 | 7.3% | \$ 3,308 |  |                          |                               |            |
| 2013        | [a]                     | 4,750,189          | [a]                 | 259,630        | 9,220,000                |                                  | 14,229,819 | 1.7% | \$ 762   |  |                          |                               |            |
| 2014        | [a]                     | 4,478,467          | [a]                 | 608,209        | 9,005,000                |                                  | 14,091,676 | 1.7% | \$ 755   |  |                          |                               |            |
| 2015        | [a]                     | 4,206,695          | [a]                 | 506,973        | 8,775,000                |                                  | 13,488,668 | 1.4% | \$ 718   |  |                          |                               |            |
| 2016        | [a]                     | 3,941,977          | [a]                 | 402,514        | 8,251,000                |                                  | 12,595,491 | 1.3% | \$ 665   |  |                          |                               |            |
| 2017        | [a]                     | 3,686,615          | [a]                 | 294,724        | 7,866,000                | 6,786,599                        | 18,633,938 | 1.7% | \$ 982   |  |                          |                               |            |
| 2018        | [a]                     | 3,436,175          | [a]                 | 183,490        | 7,576,000                | 8,377,758                        | 19,573,423 | 1.7% | \$ 1,018 |  |                          |                               |            |

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

[a] Judicial Review upholding the constitutionality of ABx1-26 resulted in legal discharge of Redevelopment Agency Debt effective 02/01/2012

Sources:

- City of Pinole Finance Department
- State of California Department of Finance
- US Department of Commerce, Bureau of Economic Analysis

**CITY OF PINOLE**  
**OTHER LONG TERM LIABILITIES**  
**LAST NINE FISCAL YEARS**

| Fiscal Year | Governmental Activities |                      | Business-type                   | Total Primary Government | Percentage of Personal Income | Per Capita |
|-------------|-------------------------|----------------------|---------------------------------|--------------------------|-------------------------------|------------|
|             | OPEB Unfunded NOO       | Compensated Absences | Activities<br>OPEB Unfunded NOO |                          |                               |            |
| 2010        | 3,722,892               | 855,812              | 388,798                         | 4,967,502                | 0.6%                          | \$ 254     |
| 2011        | 6,036,285               | 824,059              | 655,208                         | 7,515,552                | 0.9%                          | \$ 407     |
| 2012        | 8,479,288               | 717,352              | 908,692                         | 10,105,332               | 1.1%                          | \$ 544     |
| 2013        | 10,834,457              | 650,157              | 1,196,617                       | 12,681,231               | 1.4%                          | \$ 678     |
| 2014        | 12,638,863              | 629,136              | 1,413,205                       | 14,681,204               | 1.6%                          | \$ 781     |
| 2015        | 14,429,577              | 652,624              | 1,627,412                       | 16,709,613               | 1.8%                          | \$ 882     |
| 2016        | 15,686,891              | 565,181              | 1,772,058                       | 18,024,130               | 1.8%                          | \$ 962     |
| 2017        | 17,495,525              | 598,774              | 1,981,763                       | 20,076,062               | 1.9%                          | \$ 1,058   |
| 2018        | 32,029,200              | 656,630              | 3,558,800                       | 36,244,630               | 3.2%                          | \$ 1,884   |

Notes:

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

Sources:

City of Pinole Finance Department  
State of California Department of Finance  
US Department of Commerce, Bureau of Economic Analysis

**CITY OF PINOLE**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING,**  
**LAST TEN FISCAL YEARS YEARS**

| General Bonded Debt Outstanding |                     |                          |   |  |   |            |
|---------------------------------|---------------------|--------------------------|---|--|---|------------|
| Fiscal Year                     | Redevelopment Bonds | Pension Obligation Bonds | Bonds Paid with Restricted Redevelopment Tax Increments | Total - Net of Bonds Paid with Restricted Tax Levies | Percentage of Taxable Value of Property | Per Capita |
| 2009                            | 53,455,000          | 5,960,143                | \$ (53,455,000)   | 5,960,143  | 0.60% [a]                               | \$ 307     |
| 2010                            | 50,790,000          | 5,647,063                | \$ (50,790,000)   | 5,647,063  | 0.63% [a]                               | \$ 289     |
| 2011                            | 48,115,000          | 5,344,171                | \$ (48,115,000)   | 5,344,171  | 0.61% [a]                               | \$ 290     |
| 2012                            | 45,315,000          | 5,047,180                | \$ (45,315,000)   | 5,047,180  | 0.59% [a]                               | \$ 272     |
| 2013                            | [b]                 | 4,750,189                | -   | 4,750,189  | 0.58% [a]                               | \$ 254     |
| 2014                            | [b]                 | 4,478,467                | -   | 4,478,467  | 0.52% [a]                               | \$ 238     |
| 2015                            | [b]                 | 4,206,695                | -   | 4,206,695  | 0.42% [a]                               | \$ 222     |
| 2016                            | [b]                 | 3,941,977                | -   | 3,941,977  | 0.38% [a]                               | \$ 210     |
| 2017                            | [b]                 | 3,986,615                | -   | 3,986,615  | 0.36% [a]                               | \$ 210     |
| 2018                            | [b]                 | 3,436,175                | -   | 3,436,175  | 0.29% [a]                               | \$ 179     |

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

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

[b] Enactment of ABx1-26 resulted in legal discharge of Redevelopment Agency Debt effective 02/01/2012

Sources:

City Finance Department

Contra Costa County Office of the Auditor-Controller

**CITY OF PINOLE**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT [c]**  
**JUNE 30, 2018**

| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>                             | Outstanding<br>Debt 06/30/18 | [a]<br>% Applicable | Estimated Share of<br>Debt 6/30/18 |
|---|------------------------------|---------------------|------------------------------------|
| Bay Area Rapid Transit District   | \$ 837,820,000               | 0.339%              | \$ 2,840,210                       |
| Contra Costa Community College District                                 | 403,600,000                  | 1.227%              | 4,952,172                          |
| West Contra Costa Unified School District                               | 1,149,663,353                | 7.880%              | 90,593,472                         |
| West Contra Costa Healthcare District                                   | 54,635,000                   | 7.360%              | 4,021,136                          |
| East Bay Regional Park District   | 187,800,000                  | 0.530%              | 995,340                            |
| <b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>                        |                              |                     | <b>103,402,330</b>                 |
| <br><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>                    |                              |                     |                                    |
| Contra Costa County General Fund Obligations                            | \$ 291,777,297               | 1.223%              | \$ 3,568,436                       |
| Contra Costa County Pension Obligation Bonds                            | 155,880,000                  | 1.223%              | 1,906,412                          |
| Contra Costa County Fire Protection Pension Obligations                 | 65,250,000                   | 0.011%              | 7,178                              |
| Contra Costa Community College District Certificates of Participation   | 330,000                      | 1.227%              | 4,049                              |
| West Contra Costa Unified School District Certificates of Participation | 10,145,000                   | 7.880%              | 799,426                            |
| <b>City of Pinole Pension Obligation Bonds</b>                          | <b>3,436,174</b>             | <b>100.000%</b>     | <b>3,436,174</b>                   |
| <b>City of Pinole Capital Lease Obligations</b>                         | <b>183,490</b>               | <b>100.000%</b>     | <b>183,490</b>                     |
| Alameda-Contra Costa Transit District Authority                         | 13,795,000                   | 0.039%              | 5,380                              |
| <b>GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>                   |                              |                     | <b>\$ 9,910,545</b>                |
| Less: Contra Costa County obligations supported from revenue funds      |                              |                     | 1,399,044                          |
| <b>NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>                     |                              |                     | <b>\$ 8,511,501</b>                |
| <br><u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>           | <br>\$ 23,605,000            | <br>100.000%        | <br>\$ 23,605,000                  |
| <br><b>TOTAL DIRECT DEBT</b>  |                              |                     | <br><b>\$ 3,619,664</b>            |
| <b>TOTAL GROSS OVERLAPPING DEBT</b>                                     |                              |                     | <b>\$ 133,298,211</b>              |
| <b>TOTAL NET OVERLAPPING DEBT</b>                                       |                              |                     | <b>\$ 131,899,167</b>              |
| <br><b>GROSS COMBINED TOTAL DEBT</b>                                    |                              |                     | <br>[b] \$ 136,917,875             |
| <b>NET COMBINED TOTAL DEBT</b>  |                              |                     | <b>\$ 135,518,831</b>              |

2017-2018 Assessed Valuation:                    \$ 2,359,507,965 [d]

Ratios to 2017-18 Assessed Valuation:

|   |              |
|---|--------------|
| Total Gross Direct and Overlapping Tax and Assessment Debt..... | 4.38%        |
| <b>Combined Direct Debt.....</b>                                | <b>0.15%</b> |
| Gross Combined Total Debt.....                                  | 5.80%        |
| Net Combined Total Debt .....                                   | 5.74%        |

Ratios to Redevelopment Incremental Valuation (\$1,162,783,781):

|  |       |
|--|-------|
| Total Overlapping Tax Increment Debt ..... | 2.03% |
|--|-------|

- Notes:
- [a] Percentage of overlapping agency's assessed valuation located within boundaries of the city.
  - [b] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.
  - [c] Overlapping governments are those that coincide with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Pinole.
  - [d] Final Assessment Roll value

Source : California Municipal Statistics, Inc.

**CITY OF PINOLE**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**LAST TEN FISCAL YEARS**

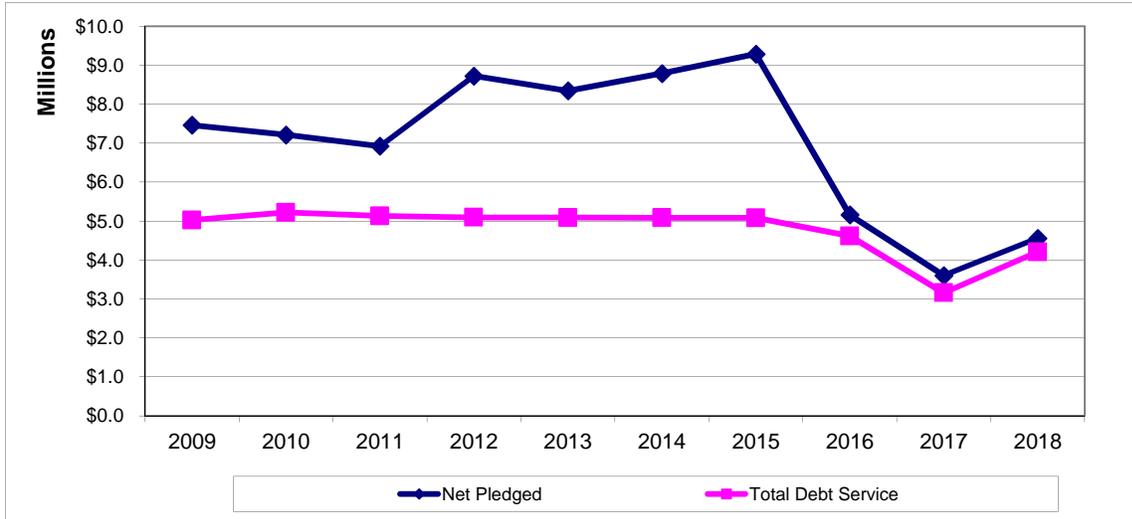
| Fiscal Year | Total assessed value of<br>all real and personal<br>property | Legal debt limit - 15%<br>of total assessed<br>valuation [a] | Amount of debt<br>applicable to limit | Legal debt margin |
|-------------|--|--|---------------------------------------|-------------------|
| 2009        | \$ 1,954,862,103   | \$ 293,229,315   | \$ (16,500,000)                       | \$ 276,729,315    |
| 2010        | \$ 1,812,984,549   | \$ 271,947,682   | \$ (16,110,000)                       | \$ 255,837,682    |
| 2011        | \$ 1,781,773,783   | \$ 267,266,067   | \$ (15,710,000)                       | \$ 251,556,067    |
| 2012        | \$ 1,712,520,228   | \$ 256,878,034   | \$ (15,295,000)                       | \$ 241,583,034    |
| 2013        | \$ 1,653,637,015   | \$ 248,045,552   | \$ (14,865,000)                       | \$ 233,180,552    |
| 2014        | \$ 1,731,807,354   | \$ 259,771,103   | \$ (14,425,000)                       | \$ 245,346,103    |
| 2015        | \$ 1,947,207,720   | \$ 292,081,158   | \$ (13,970,000)                       | \$ 278,111,158    |
| 2016        | \$ 2,085,916,313   | \$ 312,887,447   | \$ (13,500,000)                       | \$ 299,387,447    |
| 2017        | \$ 2,205,694,206   | \$ 330,854,131   | \$ (13,015,000)                       | \$ 317,839,131    |
| 2018        | \$ 2,333,724,165   | \$ 350,058,625   | \$ (12,510,000)                       | \$ 337,548,625    |

Note

[a] Per California Government Code Section 43605

Source: City of Pinole Finance Department

**CITY OF PINOLE  
TAX ALLOCATION BOND COVERAGE  
LAST TEN FISCAL YEARS**

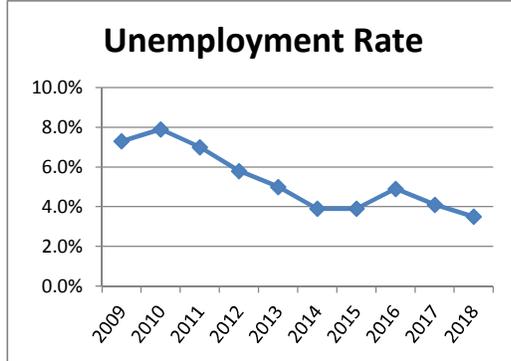
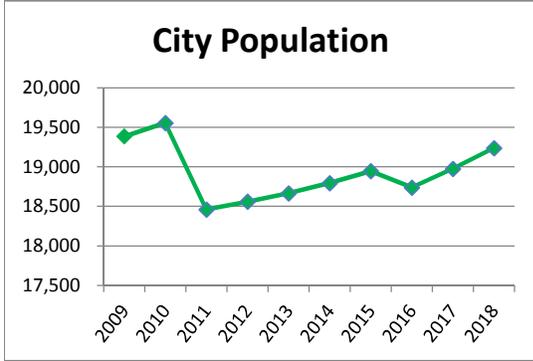


| 2009 | Fiscal Year | [b]<br>Pledged Tax Revenue | [a]<br>Less Low and Moderate Income Housing Set-Aside | Net Pledged Tax Revenue Available for Debt Service | Debt Service |           | Total Debt Service |
|------|-------------|----------------------------|---|--|--------------|-----------|--------------------|
|      |             |                            |   |  | Principal    | Interest  |                    |
|      | 2008-2009   | 9,329,281                  | 1,865,856   | 7,463,425  | 2,365,000    | 2,660,527 | 5,025,527          |
| 2010 | 2009-2010   | 9,016,903                  | 1,803,806   | 7,213,097  | 2,665,000    | 2,555,078 | 5,220,078          |
| 2011 | 2010-2011   | 8,652,264                  | 1,730,454   | 6,921,810  | 2,675,000    | 2,453,236 | 5,128,236          |
| 2012 | 2011-2012   | 8,724,669                  | 0   | 8,724,669  | 2,800,000    | 2,294,792 | 5,094,792          |
| 2013 | 2012-2013   | 8,343,800                  | 0   | 8,343,800  | 2,935,000    | 2,153,518 | 5,088,518          |
| 2014 | 2013-2014   | 8,788,383                  | 0   | 8,788,383  | 3,085,000    | 1,999,924 | 5,084,924          |
| 2015 | 2014-2015   | 9,287,768                  | 0   | 9,287,768  | 3,245,000    | 1,834,317 | 5,079,317          |
| 2016 | 2015-2016   | 5,158,035                  | 0   | 5,158,035  | 3,410,000    | 1,206,137 | 4,616,137          |
| 2017 | 2016-2017   | 3,603,311                  | 0   | 3,603,311  | 2,505,000    | 653,234   | 3,158,234          |
| 2018 | 2017-2018   | 4,558,025                  | 0   | 4,558,025  | 3,625,000    | 582,712   | 4,207,712          |

Source: City of Pinole Finance

- [a] Enactment of State Legislation (ABx1-26) suspends funding mandate for 20% Housing Set-Aside.
- [b] Successor Agency is now accounted for as a Private Purpose Trust (non-entity)

**CITY OF PINOLE  
DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS**



| Fiscal Year | (a)<br>City Population | (b)<br>Personal Income<br>(thousands of dollars) | (c)<br>Median Household Income | (d)<br>School Enrollment | (e)<br>Unemployment Rate |
|-------------|------------------------|--|--------------------------------|--------------------------|--------------------------|
| 2009        | 19,383                 | 1,088,080  | 89,300                         | 4,073                    | 7.3%                     |
| 2010        | 19,555                 | 1,131,726  | 90,300                         | 4,049                    | 7.9%                     |
| 2011        | 18,460                 | 1,046,737  | 92,300                         | 3,740                    | 7.0%                     |
| 2012        | 18,560                 | 1,029,430  | 93,500                         | 3,543                    | 5.8%                     |
| 2013        | 18,665                 | 1,064,110  | 93,500                         | 3,603                    | 5.0%                     |
| 2014        | 18,794                 | 1,158,425  | 93,500                         | 3,483                    | 3.9%                     |
| 2015        | 18,946                 | 1,207,845  | 93,500                         | 3,348                    | 3.9%                     |
| 2016        | 18,739                 | 1,007,053  | 93,600                         | 3,260                    | 4.9%                     |
| 2017        | 18,975                 | 1,069,697  | 97,400                         | 3,192                    | 4.1%                     |
| 2018        | 19,236                 | 1,150,236  | 104,400                        | 3,123                    | 3.5%                     |

Data Source :

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

**CITY OF PINOLE**  
**PRINCIPAL EMPLOYERS**  
**CURRENT AND NINE YEARS AGO**

| Employer                       | 2018           |                          | Employer                | 2009           |                          |
|--------------------------------|----------------|--------------------------|-------------------------|----------------|--------------------------|
|                                | Employee Count | Percentage of City Total |                         | Employee Count | Percentage of City Total |
| West Contra Costa USD          | 586            | 12.35%                   | Target                  | 243            | 5.47%                    |
| Target                         | 210            | 4.43%                    | West Contra Costa USD   | 230            | 5.18%                    |
| Kaiser Health Center           | 123            | 2.59%                    | Mervyn's                | 187            | 4.21%                    |
| Sprouts Farmers Market         | 118            | 2.49%                    | Lucky's/Food Maxx       | 124            | 2.79%                    |
| In-N-Out Burger                | 118            | 2.49%                    | City of Pinole          | 149            | 3.35%                    |
| City of Pinole                 | 110            | 2.32%                    | Safeway                 | 90             | 2.03%                    |
| Best Buy                       | 98             | 2.07%                    | Best Buy                | 108            | 2.43%                    |
| K-mart                         | 95             | 2.00%                    | K-Mart                  | 103            | 2.32%                    |
| Lucky Supermarket              | 92             | 1.94%                    | Round Table Pizza       | 65             | 1.46%                    |
| MV Public Transportation, Inc. | 79             | 1.66%                    | Orchard Supply Hardware | 57             | 1.28%                    |
| Top 10 Employer Count          | 1,629          |                          |                         | 1,356          |                          |
| Total Workforce                | 4,745          | 34.33%                   |                         | 4,442          | 30.53%                   |

NOTE: "Total Workforce" as used above represents the total of all employers located within City limits.

Data Sources:

- City of Pinole (Business Licensing)
- California Department of Education
- United States Census Bureau

**CITY OF PINOLE**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS YEARS**

| Function / Program [a]              | [b]        |            |            |            |           |            |            |            |            |            |
|-------------------------------------|------------|------------|------------|------------|-----------|------------|------------|------------|------------|------------|
|                                     | 2009       | 2010       | 2011       | 2012       | 2013      | 2014       | 2015       | 2016       | 2017       | 2018       |
| General government                  |            |            |            |            |           |            |            |            |            |            |
| Administration                      | 6          | 5          | 5          | 5          | 5         | 5          | 5          | 5          | 5          | 5          |
| Finance                             | 5          | 4          | 4          | 3          | 3         | 3          | 3          | 3          | 3          | 3          |
| Planning                            | 2          | 2          | 2          | 1          | 1         | 1          | 1          | 1          | 1          | 1          |
| Building                            | 4          | 3          | 2          | 1          | 1         | 2          | 2          | 2          | 1          | 1          |
| Other                               | 3          | 2          | 2          | 2          | 4         | 4          | 4          | 3          | 3          | 3          |
| Police                              |            |            |            |            |           |            |            |            |            |            |
| Sworn                               | 32         | 28         | 28         | 28         | 27        | 27         | 27         | 27         | 27         | 27         |
| Non-sworn                           | 24         | 23         | 21         | 13         | 13        | 13         | 13         | 14         | 14         | 14         |
| Fire                                |            |            |            |            |           |            |            |            |            |            |
| Sworn                               | 20         | 19         | 17         | 15         | 15        | 15         | 15         | 15         | 14         | 14         |
| Non-sworn                           | 1          | -          | -          | -          | -         | -          | -          | -          | 1          | 1          |
| Public Works                        |            |            |            |            |           |            |            |            |            |            |
| Engineering                         | 7          | 5          | 4          | 3          | 3         | 3          | 3          | 4          | 4          | 4          |
| Maintenance                         | 11         | 8          | 7          | 6          | 6         | 6          | 6          | 6          | 6          | 6          |
| Redevelopment                       | 5          | 4          | 3          | 3          | -         | -          | -          | -          | -          | -          |
| Parks and recreation                | 13         | 13         | 14         | 8          | 8         | 11         | 11         | 13         | 13         | 13         |
| Wastewater collection and treatment | 16         | 15         | 15         | 13         | 13        | 13         | 13         | 13         | 13         | 13         |
| <b>Total</b>                        | <b>149</b> | <b>131</b> | <b>124</b> | <b>101</b> | <b>99</b> | <b>103</b> | <b>103</b> | <b>106</b> | <b>105</b> | <b>105</b> |

Notes:

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

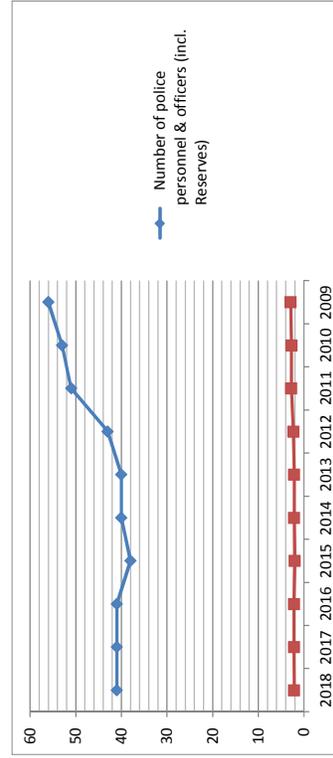
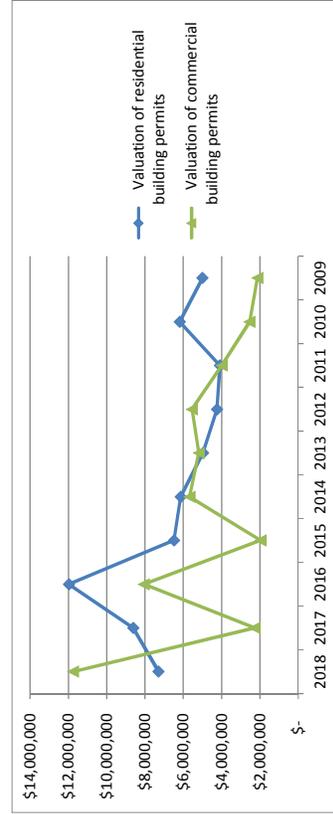
[b] Redevelopment Staffing eliminated effective 02/01/2012, following dissolution of Agency pursuant to new State Legislation (ABx1-26)

Source: City of Pinole Annual Budget Documents

**CITY OF PINOLE  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

|  | 2018            | 2017          | 2016          | 2015         | 2014          | 2013          | 2012         | 2011         | 2010         | 2009         |
|--|-----------------|---------------|---------------|--------------|---------------|---------------|--------------|--------------|--------------|--------------|
| <b>Date of Incorporation</b>                             | 1903            |               |               |              |               |               |              |              |              |              |
| <b>Form of Government</b>                                | Council-Manager |               |               |              |               |               |              |              |              |              |
| <b>Number of Employees (including police &amp; fire)</b> |                 |               |               |              |               |               |              |              |              |              |
| Full-time  | 95              |               |               |              |               |               |              |              |              |              |
| Part-time  | 38              |               |               |              |               |               |              |              |              |              |
| <b>Area in square miles</b>                              | 5 square miles  |               |               |              |               |               |              |              |              |              |
|  |                 |               |               |              |               |               |              |              |              |              |
| <b>Fire Protection :</b>                                 |                 |               |               |              |               |               |              |              |              |              |
| Number of fire personnel & officers (incl. Reserves)     | 15              | 15            | 15            | 15           | 17            | 15            | 15           | 23           | 26           | 27           |
| Number of calls answered                                 | 2,515           | 2,647         | 2,406         | 1,908        | 2,205         | 2,250         | 2,000        | 2,134        | 2,283        | 2,480        |
| Number of inspections conducted                          | 26              | 20            | 404           | 60           | 7             | 48            | 55           | 515          | 210          | 230          |
| Number of building plan reviews                          | 14              | 29            | 66            | 50           | 25            | 32            | 61           | 76           | 70           | 70           |
| Number of fire investigations                            | Not Available   | Not Available | Not Available | 2            | Not Available | Not Available | 51           | 98           | 90           | 92           |
| <b>Police Protection :</b>                               |                 |               |               |              |               |               |              |              |              |              |
| Number of police personnel & officers (incl. Reserves)   | 41              | 41            | 41            | 38           | 40            | 40            | 43           | 51           | 53           | 56           |
| Number of police personnel per thousand population       | 2.13            | 2.16          | 2.19          | 2.01         | 2.13          | 2.14          | 2.32         | 2.76         | 2.71         | 2.89         |
| <b>Community Development:</b>                            |                 |               |               |              |               |               |              |              |              |              |
| Number of residential building permits                   | 690             | 777           | 1027          | 1061         | 800           | 651           | 608          | 674          | 732          | 680          |
| Valuation of residential building permits                | \$ 7,293,429    | \$ 8,613,376  | \$ 11,969,126 | \$ 6,485,860 | \$ 6,140,140  | \$ 4,974,080  | \$ 4,240,627 | \$ 4,090,024 | \$ 6,187,203 | \$ 5,000,929 |
| Number of commercial building permits                    | 84              | 92            | 46            | 22           | 43            | 59            | 46           | 21           | 30           | 42           |
| Valuation of commercial building permits                 | \$ 11,752,779   | \$ 2,275,774  | \$ 8,053,064  | \$ 1,961,346 | \$ 5,671,577  | \$ 5,187,465  | \$ 5,547,362 | \$ 3,982,285 | \$ 2,536,324 | \$ 2,128,384 |
| <b>Sewer System:</b>                                     |                 |               |               |              |               |               |              |              |              |              |
| Daily average treatment in gallons                       | 2,151,096       | 2,914,000     | 2,381,151     | 2,449,863    | 2,579,625     | 2,776,986     | 2,907,205    | 3,147,397    | 3,620,000    | 3,620,000    |
| Maximum daily capacity of treatment plant in gallons     | 4,060,000       | 4,060,000     | 4,060,000     | 4,060,000    | 4,060,000     | 4,060,000     | 4,060,000    | 4,060,000    | 4,060,000    | 4,060,000    |

Source: City of Pinole Finance



**CITY OF PINOLE**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

|                                  | 2018                             | 2017               | 2016               | 2015               | 2014               | 2013               | 2012               | 2011               | 2010               | 2009               |
|----------------------------------|----------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>City Streets:</b>             |                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Miles of streets                 | 63                               |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Number of street lights          | 373 (city owned)                 |                    |                    |                    |                    |                    |                    |                    |                    |                    |
|                                  | 971 (electric & private utility) |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Statistics by Fiscal Year</b> |                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| <b>Fire Protection :</b>         |                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Number of stations               | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 2                  | 2                  |
| <b>Police Protection :</b>       |                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Number of stations               | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Number of patrol units           | 13                               | 13                 | 13                 | 13                 | 13                 | 13                 | 13                 | 13                 | 13                 | 13                 |
| Number of security units         | 2                                | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  | 2                  |
| <b>Recreation and culture :</b>  |                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Swim Center                      | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Community Theater                | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Senior Center                    | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Youth Center                     | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Pre-school Center                | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Number of parks & park acreage   | 15; 64 total acres               | 15; 64 total acres | 15; 64 total acres | 15; 64 total acres | 15; 64 total acres | 15; 64 total acres | 15; 64 total acres | 15; 64 total acres | 15; 64 total acres | 15; 64 total acres |
| <b>Sewer System:</b>             |                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Sanitary sewers                  | 50 miles                         | 50 miles           | 50 miles           | 50 miles           | 50 miles           | 50 miles           | 50 miles           | 50 miles           | 50 miles           | 50 miles           |
| Miles of storm drains            | 34 miles                         | 34 miles           | 34 miles           | 34 miles           | 34 miles           | 34 miles           | 34 miles           | 34 miles           | 34 miles           | 34 miles           |
| Number of treatment plants       | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Number of service connections    | 5,416                            | 5,416              | 5,416              | 5,416              | 5,414              | 5,414              | 5,423              | 5,401              | 5,398              | 5,400              |
| <b>Schools:</b>                  |                                  |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Elementary-public                | 4                                | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  | 4                  |
| Elementary-private               | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| Junior High School-public        | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |
| High School-public               | 1                                | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  | 1                  |

Source: City of Pinole Finance