

# CITY OF PINOLE, CALIFORNIA

## Annual Comprehensive Financial Report



For the Fiscal Year Ended  
June 30, 2021





CITY OF PINOLE, CALIFORNIA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2021**

PREPARED BY THE  
FINANCE DEPARTMENT



# City of Pinole

## Annual Comprehensive Financial Report

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# CITY OF PINOLE

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December 30, 2021

Members of the City Council  
Residents of the City of Pinole

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Pinole, California for the fiscal year (FY) ended June 30, 2021.

## **Introduction**

The City is required to issue a complete set of financial statements each year in conformance with generally accepted accounting principles (GAAP) and audited by an independent, certified public accounting firm. The ACFR contains the financial statements as well as supplemental information.

City management assumes full responsibility for the completeness and reliability of all the information presented in the ACFR. 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 respects.

Badawi and Associates, an independent, certified public accounting firm, has audited the City of Pinole's financial statements for the fiscal year ended June 30, 2021. The objective of the audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating overall financial management presentation. 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, 2021 are fairly presented in conformity with GAAP. Their independent auditor's report is the first component presented in the financial section of the ACFR.

Public agencies that receive federal funding above a certain monetary threshold are required to undergo an annual "Single Audit" that incorporates the audit of financial statements mentioned above as well as an auditor's assessment of the City's internal controls and compliance with legal requirements, particularly internal controls and compliance regarding administration of federal awards. The Single Audit Report is published as a separate document from the ACFR. A Single Audit Report is not required for the City for the fiscal year ended June 30, 2021 because federal expenditures for the year were below the \$750,000 threshold.

GAAP requires that the ACFR include a narrative introduction, overview, and analysis of the City's financial condition, provided by management in the form of the Management's Discussion and Analysis

(MD&A), to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors report in the financial section of the ACFR.

## **Profile of the Government**

The City 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 80. The City currently has a land area of 5 square miles and a population of 19,369.

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

Pinole is a full-service city, with 115.4 full-time equivalent authorized personnel in fiscal year 2020/21. The City provides public safety (police and fire), public works (maintenance of streets and facilities), community development (land use and building regulation), recreation programs and parks, wastewater utilities, administration, and fiscal services.

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

## **The City's Economic Condition**

Since March 2020, Pinole's economy has been impacted by COVID-19 and the related Shelter in Place (SIP) orders. The budgetary impact to the City has primarily involved slightly decreased revenues, primarily in the user fee category. While the City experienced a slight decline in sales tax revenue from the initial SIP, the City did not experience a pronounced or prolonged loss of sales tax due to SIPs. In fact, sales tax rebounded quicker than industry experts initially predicted. The upward trend was most attributable to the rise in online sales. The long-term trend of the City's economy is a strengthening local tax base in both retail sales and real property values. The region has a varied manufacturing, industrial, and commercial economic base. The City's principal businesses are engaged in merchandising and retail sales. The local unemployment rate in 2021 was 7.0%, down from the 13.2% in 2020. Contra Costa County, which includes Pinole, has an unemployment rate of 6.3% in 2021, which is less than the state's average rate of 7.9%.

Real property values continue to rise. Growth in home sales strengthened in the summer of 2020 as many cities saw an increase in properties for sale. Sales price increases in 2020 were reflected on the FY 2021/22 tax rolls. The median price of a detached single family residential home in Pinole increased by 19.3% from 2020.

### **Operating and Capital Budget**

On June 29, 2021, the City Council adopted the FY 2021/22 Operating and Capital Budget. The Adopted FY 2021/22 Operating and Capital Budget is not structurally balanced. Staff strongly believes that the proposed budget is nonetheless prudent and responsible because the additional expenditures that it contains beyond the current year revenues are critical to achieving the City's vision, mission, and goals; the City has substantial unassigned General Fund fund balance; and the City's Long-Term Financial Plan forecasts that City revenues will notably increase in the near future due to the retirement of some significant debt. Per the City's Structurally Balanced Budget Policy, if the final proposed budget is structurally imbalanced, staff should develop a plan to create a structurally balanced budget for the subsequent fiscal year. Staff intends to do so. The Adopted FY 2021/22 Operating and Capital Budget does not include any use of the City's \$8.7 million General Reserve.

The City received \$2.3 million (one half) of its \$4.6 million allocation from the American Rescue Plan Act (ARPA), and tentatively expects to receive additional new federal funding from a forthcoming federal infrastructure bill. Staff intends to seek Council's direction on the appropriation of the ARPA funding over the course of FY 2021/22 and FY 2022/23. Staff believed that the expected new federal funding was too substantial an amount and contained too many specific requirements to seamlessly integrate its appropriation into the regular annual budget process.

### **Strategic Plan 2020 – 2025**

In February 2020 the City Council adopted the City of Pinole Strategic Plan 2020 – 2025. The Strategic Plan expressed the City's vision, mission, and goals. The Strategic Plan also identified 22 individual strategies (special projects) for staff to complete over a five-year timeframe to position the City to achieve the vision, mission, and goals.

The adoption of the Strategic Plan was momentous. It reaffirmed the City's commitment to and focus on creating a safe and vibrant community and providing efficient and effective City services. It will take some time for staff to complete all 22 strategies and for the resulting changes in the community and City services to be fully realized. Despite needing to devote a significant amount of time to COVID-19 during the current fiscal year, City staff has nonetheless been able to make progress on several of the strategies.

### **Major Accomplishments and Initiatives**

Despite needing to devote a significant amount of time to COVID-19 and advancing the Strategic Plan strategies, City staff has also been able to implement a limited number of new programs and services during the current fiscal year, such as a COVID-safe cooling center at the Senior Center, food distribution, holiday lights for downtown, expanded park restroom hours, and small business grants.

Following are some major initiatives that were completed in FY 2020/21:

- Developed a Long-Term Financial Plan (LTFP) for FY 2020/21 – FY 2025/26, which was adopted by the City Council in June 2021. It provides a five-year outlook and forecast of General Fund revenues and expenditures. The LTFP identifies potential opportunities and challenges that the City may proactively address through the annual budget and capital improvement planning processes.
- Conducted a citywide Organizational Assessment that resulted in a new organizational structure. The new structure creates separate Community Development and Public Works Departments, as well as a new Community Services Department, which consolidates recreation and various other community-oriented services. It also creates some new departmental divisions and subdivisions to provide a clear home for some important functions, such as economic development and communication and engagement, that did not have a clear home in the former organizational structure.

Following are some major initiatives that are in progress and expected to be completed within the next fiscal year:

- Conduct a citywide asset condition assessment
- Update the City's Emergency Operations Plan (EOP)
- Review, prioritize, and implement as appropriate the 2019 fire service study recommendations
- Conduct a comprehensive fee study
- Update the General Plan and Three Corridors Specific Plan
- Develop a comprehensive economic development strategy
- Develop an employee attraction, retention, and development plan
- Develop a strategic communication plan and public engagement plan
- Develop a comprehensive Information Technology Plan

## **Financial Policies and Planning**

The annual budget serves as the foundation of the City's financial planning and control. The budget process begins in February when each department receives a preliminary proposed baseline budget for the upcoming fiscal year. The City Manager, Assistant City Manager, and Finance Director meet with each department director to discuss their budget requests and to make adjustments where necessary. The City Council Finance Subcommittee meets in May to review the draft proposed budget for the upcoming year. The City Council then reviews the revised proposed budget and final proposed budget, and then adopts a final budget prior to July 1. The operating budget includes proposed expenditures and the financing sources. Public meetings are conducted in June to obtain public 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 October 6, 2020 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.

### **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, 2020. This was the 24<sup>th</sup> consecutive year that the City has received the prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easy to read and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current 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 ACFR was made possible through the dedicated work of the Finance Department staff and with the cooperation of all City departments. Special thanks and acknowledgement are due to Maria Mata, Accountant; Anthony Colden, Accounting Specialist; and Chris Russell, Accounting Technician for their commitment and effectiveness in the maintenance of the City's financial records.

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

Respectfully submitted,



Andrew Murray  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Pinole  
California**

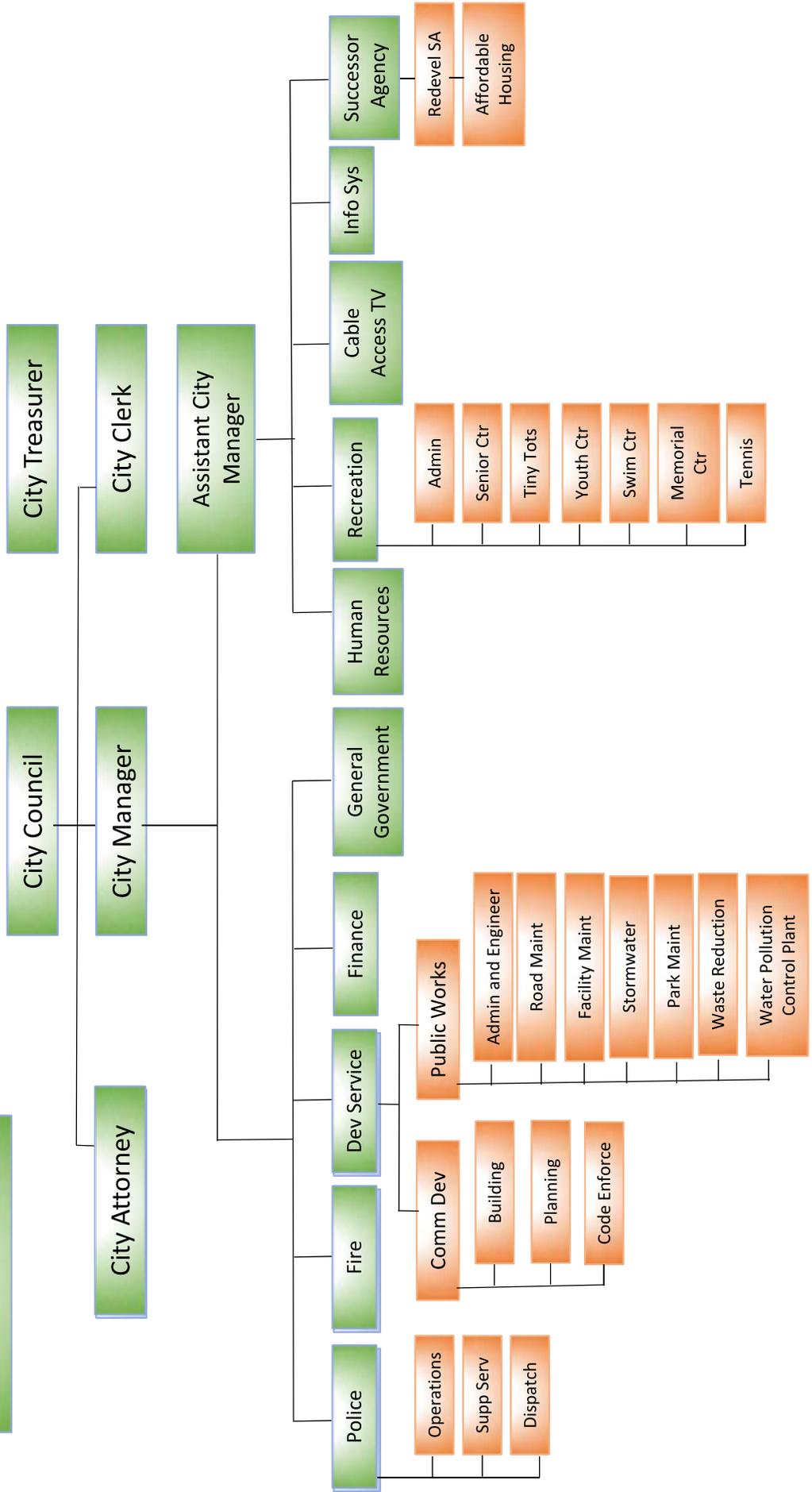
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morrill*

Executive Director/CEO

**City of Pinole  
Organizational Chart  
FY 2020-21**



**CITY OF PINOLE**  
**ELECTED OFFICIALS AND**  
**DEPARTMENT HEADS**

**JUNE 30, 2021**

**ELECTED OFFICIALS**

Mayor	Norma Martínez-Rubin
Mayor Pro Tem	Vincent Salimi
Council Member	Devin Murphy
Council Member	Anthony Tave
Council Member	Maureen Toms
City Treasurer	Roy Swearingen

**DEPARTMENT HEADS**

City Manager	Andrew Murray
Assistant City Manager	Hector De La Rosa
City Attorney (Contract)	Eric Casher
City Clerk	Heather Iopu
Development Services Director	Tamara Miller
Finance Director	Markisha Guillory
Fire Chief	Chris Wynkoop
Police Chief	Neil Gang





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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, 2021, 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, 2021, 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 5-18 and 87-91 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, combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 94 to 119 and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

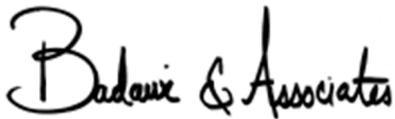
The combining and individual nonmajor fund financial statements, and the budgetary comparison schedules on pages 94 to 119 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 combining and individual nonmajor fund financials statements, and the budgetary comparison schedules on pages 94 to 119 are fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

To the Honorable Mayor and Members of the City Council  
of the City of Pinole  
Pinole, California  
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**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2021 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi and Associates, CPAs  
Berkeley, California  
December 30, 2021

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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This section of the City of Pinole's (City) Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2021 (FY 2020/21). We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's basic financial statements which follow this section.

### FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of FY 2020/21 by \$43.6 million (net position). Of this amount, \$33.5 million is restricted for specific purposes (restricted net position), \$43.8 million is the net investment in capital assets and \$33.7 million represents a deficit in unrestricted net position.
- The City's net position increased by \$0.1 million, a 0.2% increase at the close of FY 2020/21 as compared to FY 2019/20. This increase is primarily the result of the Wastewater Utility excess revenues. Overall, governmental activities net position decreased by \$0.8 million while business-type activities increased by \$0.9 million.
- Governmental funds reported ending balances of \$56.6 million, an increase of \$2.7 million in comparison to the prior fiscal year ending June 30, 2020.
- The General Fund balance is \$40.0 million, of which \$12.4 million is unassigned.

### GENERAL FUND BUDGETARY HIGHLIGHTS

- Actual General Fund revenues totaling \$23.5 million were \$3.4 million, or 17% higher than the final total revenue budget. Excess revenues were primarily in sales tax and investment earnings on the funds in the Section 115 Pension Trust.
- Actual General Fund expenditures totaling \$19.9 million were 3.3 million, or 14.2% less than the total final expenditure budget. The savings primarily resulted from lower actual expenditures in public safety due to position vacancies and capital outlay due to deferred vehicle and equipment purchases.

### 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 2020/21 and FY 2019/20. 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, 2021 (2021) and June 30, 2020 (2020).

Summary of Net Position  
(in millions)

	Governmental Activities		Business-type Activities		Totals		Total % Change
	2021	2020	2021	2020	2021	2020	
<b>Assets:</b>							
Current and other assets	\$ 58.9	\$ 55.9	\$ 18.8	\$ 19.5	\$ 77.7	\$ 75.4	3.1%
Capital assets	31.0	30.8	44.2	44.9	75.2	75.7	-0.7%
Total assets	89.9	86.7	63.0	64.4	152.9	151.1	1.2%
Deferred outflows of resources	15.7	9.3	1.7	1.0	17.4	10.3	68.9%
<b>Liabilities:</b>							
Current liabilities	2.3	1.4	0.8	2.4	3.1	3.8	-18.4%
Long-term liabilities	78.6	67.0	39.8	39.6	118.4	106.6	11.1%
Total liabilities	80.9	68.4	40.6	42.0	121.5	110.4	10.1%
Deferred inflows of resources	4.7	6.7	0.5	0.7	5.2	7.4	-29.7%
<b>Net position:</b>							
Invested in capital assets,	31.0	30.8	12.8	12.4	43.8	43.2	1.4%
Restricted	33.5	32.0			33.5	32.0	4.7%
Unrestricted	(44.5)	(42.0)	10.8	10.3	(33.7)	(31.7)	6.3%
Total net position	\$ 20.1	\$ 20.8	\$ 23.6	\$ 22.7	\$ 43.6	\$ 43.5	0.2%

### Analysis of Net Position

Net position may serve as a useful indicator of a government's financial position. The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows by \$43.6 million at the close of FY 2020/21. The City's combined net position increased 0.2%, or \$0.1 million from the prior fiscal year. This is primarily a result of changes in business activities due to Wastewater Utility excess revenues.

- *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 \$43.8 million (100% of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities. The City's net investment in capital assets increased by \$0.6 million (Note 5).
- *Restricted net position* of \$33.5 million (77% of the total) represents resources that are subject to external restrictions on how they may be used. Of this amount, \$7.8 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, decreased by \$2 million to negative \$33.7 million. Governmental activities unrestricted net position was a negative \$44.5 million (primarily as a result of implementing GASB Statement Nos. 45, 68, 71 and 75 related to pension and OPEB liabilities), and business-type activities net position was a positive \$10.8 million.

## Analysis of Activities

The following table reflects the summary of changes in net position for governmental and business-type activities as of June 30, 2021 (2021) and June 30, 2020 (2020).

	Governmental Activities		Business-type Activities		Totals		Total % Change
	2021	2020	2021	2020	2021	2020	
<b>Revenues:</b>							
Program revenues:							
Charges for services	\$ 2,877,798	\$ 3,371,242	\$ 7,527,056	\$ 7,093,734	\$10,404,854	\$10,464,976	-0.60%
Operating grants and contributions	1,795,055	1,790,729	-	-	1,795,055	1,790,729	0.20%
Total program revenue	4,672,853	5,161,971	7,527,056	7,093,734	12,199,909	12,255,705	-0.50%
General revenues:							
Taxes:							
Property tax	4,001,411	4,473,828	-	-	4,001,411	4,473,828	-10.60%
Sales tax	9,114,809	7,875,223	-	-	9,114,809	7,875,223	15.70%
Franchise tax	751,598	750,002	-	-	751,598	750,002	0.20%
Utility tax	2,329,873	2,215,084	-	-	2,329,873	2,215,084	5.20%
Transient occupancy tax	446,105	444,453	-	-	446,105	444,453	0.40%
Other taxes	468,987	452,815	-	-	468,987	452,815	3.60%
Motor Vehicle in Lieu	2,004,884	1,922,881	-	-	2,004,884	1,922,881	4.30%
Gain on disposal of asset	83,209	3,231	-	-	83,209	3,231	2476.30%
Investment Earnings	3,020,587	1,899,190	44,259	284,574	3,064,846	2,183,764	40.30%
Miscellaneous	270,712	590,928	-	-	270,712	590,928	-54.20%
Total general revenues	22,492,175	20,627,635	44,259	284,574	22,536,434	20,912,209	7.80%
Total revenues	27,165,028	25,789,606	7,571,315	7,378,308	34,736,343	33,167,914	4.70%
<b>Expenses:</b>							
General government	4,957,477	4,596,909	-	-	4,957,477	4,596,909	7.80%
Public safety	15,895,381	14,937,597	-	-	15,895,381	14,937,597	6.40%
Public services	4,541,157	3,488,882	-	-	4,541,157	3,488,882	30.20%
Recreation	949,734	1,146,587	-	-	949,734	1,146,587	-17.20%
Community development	1,275,333	1,365,580	-	-	1,275,333	1,365,580	-6.60%
Interest and fiscal charges	331,218	304,844	-	-	331,218	304,844	8.70%
Wastewater utility	-	-	6,688,530	5,704,747	6,688,530	5,704,747	17.20%
Total expenses	27,950,300	25,840,399	-	5,704,747	34,638,830	31,545,146	9.80%
Revenues over (under) expenses	(785,272)	(50,793)	882,785	1,673,561	97,513	1,622,768	-94.00%
Changes in Net Position	(785,272)	(50,793)	882,782	1,673,561	97,513	1,622,768	-94.00%
Net position, beginning of year, restated	20,835,535	20,886,328	22,695,934	21,022,373	43,531,469	41,908,701	3.90%
Net position, end of year	\$20,050,263	\$20,835,535	\$23,578,719	\$22,695,934	\$43,628,982	\$43,531,469	0.20%

### *Governmental Activities*

Governmental activities net position decreased by \$0.8 million. Key elements of the change in net position are as follows:

- Program revenue, charges for services reflected a decrease of \$0.5 million (14.6%) over FY 2019/20. This is the result of decreased permit and fee revenue from development activity. Permit fees for a significant development project were received in the prior year.
- General revenue reflected an increase of \$1.8 million (9.0%) over FY 2019/20. This is largely attributable to an increase in sales tax revenue of \$1.2 million primarily due to County pool receipts from online sales and investment earnings of \$1.1 million (59%) over FY 2019/20 as a result of increased earnings in the Section 115 Pension Fund which is recorded as restricted cash in the General Fund.

Expenses increased by \$2.1 million (8.2%) over FY 2019/20. The most significant changes were in public safety with an increase of \$1.0 million (6.4%), and public services with an increase of \$1.1 million (30.2%). Public Safety costs increase were due to increase pension costs and overtime.

### *Business-type Activities*

Business-type activities increased the City's net position by \$0.9 million, exceeding the total increase in net position of \$0.1 million. Key elements of the change in net position are as follows:

- 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 \$0.004 million (0.2%) over the prior fiscal year.
- There was an increase in expenses over the prior fiscal year of \$1.0 million (17.2%). Depreciation expense is considered a cost of service in proprietary funds, which accounted for \$1.1 million in FY 2020/21 (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 rate plan was amended July 17, 2018 by Resolution Number 2018-66. The 2020 monthly rate for single family residents was \$69.34.

## 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, 2021:

	Governmental Fund Balances		
	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable	\$ 18,782	\$ 315,552	\$ 334,334
Restricted	19,623,678	13,905,253	33,528,931
Committed	-	-	-
Assigned	7,836,178	2,526,571	10,362,749
Unassigned	12,488,562	(137,880)	12,350,682
Total Fund Balances	\$ 39,967,200	\$ 16,609,493	\$ 56,576,696

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, 2021, the City's governmental funds reported combined fund balances of \$56.6 million, which is an increase of \$2.1 million (3.9%) when compared to the prior fiscal year, FY 2019/20. This increase is increased investment interest and the proceeds from loan repayment.

*Nonspendable fund balances* constitute \$0.3 million, (0.6%) of the combined governmental fund balance and cannot be spent either because the underlying resources are not in a spendable form or because the government is legally or contractually required to maintain the resources intact.

*Restricted fund balances* constitute \$33.5 million, (59.3%) of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

*Assigned fund balances* constitute \$10.4 million (18.3%) 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.

*Unassigned fund balances* constitute \$12.4 million (21.8%) of the combined governmental fund balance and consist of amounts that have not been classified as *nonspendable*, *restricted*, or *assigned*.

## Analysis of Governmental Funds

### General Fund

The designated major Governmental funds in FY 2020/21 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 \$2.2 million (5.8%), as a net result of revenues in excess of expenditures in the current fiscal year of \$3.6 million, offset by other financing uses in the amount of \$1.4 million resulting from operating contributions to other operating funds.

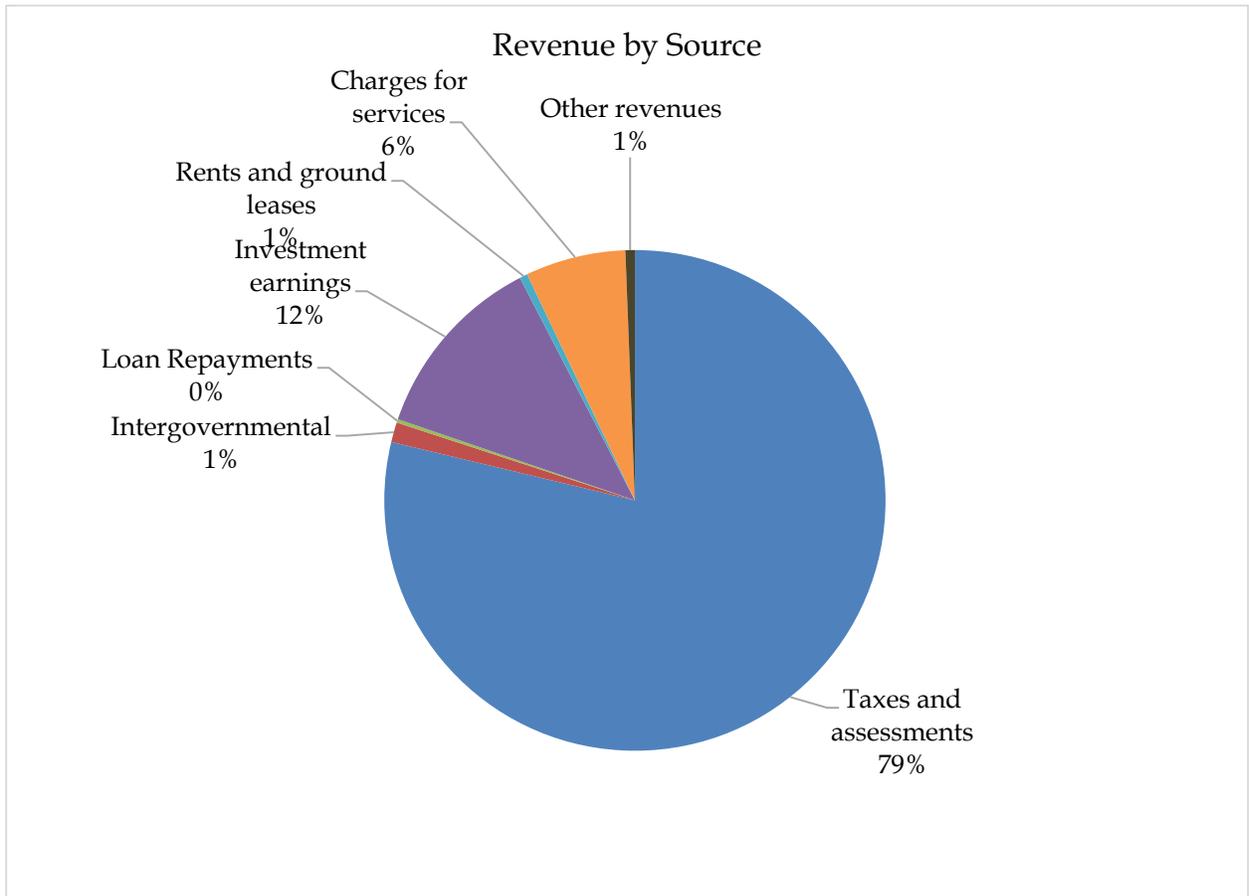
General Fund revenue increased by \$2.2 million (10.2%) this fiscal year as compared to FY 2019/20. The largest components of this increase are sales tax revenue, investment earnings, and the transfer in from the Section 115 pension trust to offset the increase in pension costs.

General Fund expenditures increased \$1.2 million this fiscal year (6.5%) this fiscal year compared to FY 2019/20. This is primarily attributed to a \$0.8 million increase in public safety costs for salary and benefits. Capital outlay costs increased by \$0.3 million due to additional vehicle purchases. General administration costs increase by \$0.2 million due to cost allocation changes.

## Revenue

The following table highlights the General Fund revenue by source as of June 30, 2021.

Revenue by Source	% of Total	FY 2020/21
Taxes and assessments	79%	\$ 18,540,071
Intergovernmental	1%	298,719
Loan Repayments	0%	55,197
Investment earnings	12%	2,861,375
Rents and ground leases	1%	121,030
Charges for services	6%	1,521,791
Other revenues	1%	143,698
<b>Total</b>	<b>100%</b>	<b>\$ 23,541,881</b>

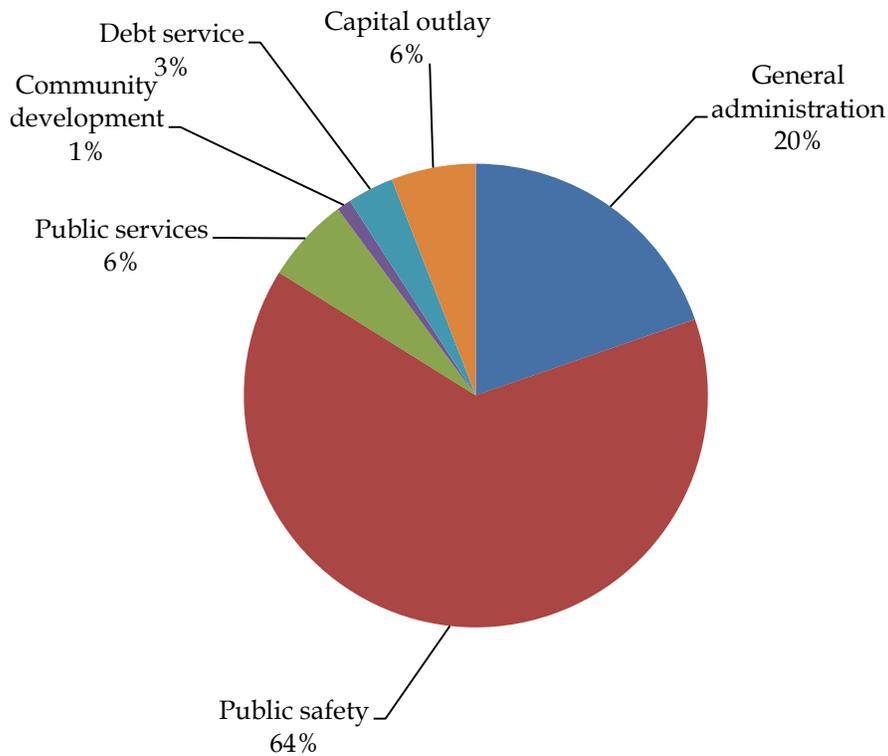


## Expenditures

The following table highlights the General Fund expenditures by function as of June 30, 2021.

Expenditures by Function	% of Total	FY 2020/21
General administration	19%	\$ 3,876,560
Public safety	64%	12,775,129
Public services	6%	1,120,420
Community development	1%	173,504
Debt service	3%	558,607
Capital outlay	7%	1,424,147
<b>Total</b>	<b>100%</b>	<b>\$ 19,928,367</b>

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 decreased by \$0.8 million this fiscal year as compared to FY 2019/20. This is largely the result of net decreases in charges for services mostly in recreation due to program closures, interest earnings, and other miscellaneous revenues.

Other governmental funds expenditures increased by \$0.9 million this fiscal year as compared to FY 2019/20. This is largely in the capital outlay category as a result of infrastructure projects completed this fiscal year, notably the residential slurry seal project.

## ***Proprietary Fund***

### **Wastewater Utility**

The Wastewater Utility Funds net position increased by \$0.9 million, 3.9% over the prior fiscal year to a total of \$23.6 million. Operating income for FY 2020/21 was \$1.5 million, as revenues increased \$0.4 million, while expenses increased \$1.0 million.

The Fund's Net Position is comprised of \$12.8 million net investment in capital assets and \$10.8 million in unrestricted net assets at June 30, 2021. 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 was to 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. The City repaid the remaining balance of the Note Payable during fiscal year 2019/20, and the balance remaining at June 30, 2021 is \$0 (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, 2021 was \$43.8 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).

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

#### Capital Assets at Year-end

	2021	2020	Net Change
<i>Governmental Activities</i>			
Land (and Construction-in-progress)	\$ 6,908,335	\$ 6,489,814	\$ 418,521
Buildings & Improvements	15,959,889	15,962,147	(2,258)
Equipment	5,929,753	5,726,634	203,119
Vehicles	4,636,944	3,409,645	1,227,299
Streets & Roads	51,462,868	51,462,868	-
Storm Drains	2,880,999	2,880,999	-
Bridges	3,117,473	3,117,473	-
Parks	2,502,680	2,502,680	-
Less accumulated depreciation	(62,390,133)	(60,778,144)	(1,611,989)
Totals	<u>\$ 31,008,808</u>	<u>\$ 30,774,116</u>	<u>\$ 234,692</u>
<i>Business-type activities</i>			
Sewer Lines	\$ 7,650,185	\$ 7,650,185	\$ -
Buildings & Improvements	51,765,446	51,748,278	17,168
Vehicles	1,008,306	578,652	429,654
Equipment	3,259,400	3,259,400	-
Less accumulated depreciation	(19,475,768)	(18,359,192)	(1,116,576)
Totals	<u>\$ 44,207,569</u>	<u>\$ 44,877,323</u>	<u>\$ (669,754)</u>

### Debt Administration:

Each of the City's debt issues is discussed in detail in Note 7 to the financial statements. At June 30, 2021 the City's remaining long-term debt is comprised of a Pension Obligation Bond bearing interest rates ranging from 5.67% to 6.12%, as follows:

#### Outstanding Debt

	Balance 30-Jun-21	Balance 30-Jun-20	Net Change
Governmental Activity Debt:			
Pension Obligation bonds	\$ 2,734,450	\$ 2,961,839	\$ (227,389)
Total Debt	<u>\$ 2,734,450</u>	<u>\$ 2,961,839</u>	<u>\$ (227,389)</u>

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

Other Long-term Liabilities

Other Long-term Liabilities:	Balance 30-Jun-21	Balance 30-Jun-20	Net Change
Compensated Absences	\$ 945,597	\$ 870,392	\$ 75,205
Total Other Long-term Liabilities	<u>\$ 945,597</u>	<u>\$ 870,392</u>	<u>\$ 75,205</u>

## 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:

- **COVID-19 impacts** to the community and the region continue to be monitored. Although there has been no direct significant fiscal impact to the City to date, management is continuing to evaluate the financial effect it may potentially have on the revenues and city programs.
- **American Rescue Plan Act (ARPA)** enacted in March 2021 provides relief funding to governments in response to the negative economic impacts of the COVID-19 pandemic. The City’s allocation was determined to be \$4,605,009 to be received in two tranches one year apart. The first tranche received in July 2021 will be allocated programs in accordance with statutory allowable uses, including providing direct support to businesses and households.
- **City’s Strategic Plan 2020-2025** adopted in February 2020 identifies 22 individual strategies (special projects) for staff to complete over a five-year timeframe to position the City to achieve the vision, mission, and goals. Under Goal 2 – Financially Stable Pinole, several initiatives are underway or have been completed, including development of a long-term financial plan and a comprehensive user fee study.
- **Long-Term Financial Plan for Fiscal Year (FY) 2021/22 – FY 2025/26** was adopted in June 2021. It provides a five-year outlook and forecast of General Fund revenue and expenditures. The LTFP identifies future potential opportunities and challenges that the City may proactively address through the annual budget and capital improvement planning processes.
- **Comprehensive User Fee Study** is underway. The study will consist of a thorough evaluation of City user fees and charges to determine cost recovery levels and appropriateness of the City’s fee structure. Additionally, the study will be used as the basis to update the master fee schedule.
- **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 June 29, 2021 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, 2021**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 32,462,333	\$ 17,123,487	\$ 49,585,820
Accounts receivable	2,928,976	562,306	3,491,282
Prepaid items	315,552	1,089,184	1,404,736
Inventory	18,782	3,586	22,368
Land held for redevelopment	1,222,070	-	1,222,070
Due from private-purpose trust fund	2,541,575	-	2,541,575
Restricted cash - pension	19,442,495	-	19,442,495
Capital assets:			
Land and construction in progress	6,908,335	-	6,908,335
Capital assets being depreciated, net	24,100,473	44,207,569	68,308,042
<b>Total assets</b>	<b>89,940,591</b>	<b>62,986,132</b>	<b>152,926,723</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	7,049,756	783,397	7,833,153
OPEB related amounts	8,602,568	955,842	9,558,410
<b>Total deferred outflows of resources</b>	<b>15,652,324</b>	<b>1,739,239</b>	<b>17,391,563</b>
<b>LIABILITIES</b>			
Accounts Payable	1,926,606	778,199	2,704,805
Unearned revenue	297,481	-	297,481
Deposits payable	131,000	-	131,000
Long-term liabilities:			
Due within one year	374,845	1,028,753	1,403,598
Due in more than one year	3,305,202	30,505,550	33,810,752
Other postemployment benefits:			
Due in more than one year	41,861,011	4,651,224	46,512,235
Net pension liability:			
Due in more than one year	33,027,646	3,669,717	36,697,363
<b>Total liabilities</b>	<b>80,923,791</b>	<b>40,633,443</b>	<b>121,557,234</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	1,441,040	160,118	1,601,158
OPEB related amounts	3,177,821	353,091	3,530,912
<b>Total deferred inflows of resources</b>	<b>4,618,861</b>	<b>513,209</b>	<b>5,132,070</b>
<b>NET POSITION</b>			
Net investment in capital assets	31,008,808	12,783,593	43,792,401
Restricted for:			
Streets & roads	2,098,148	-	2,098,148
Capital projects	3,019,807	-	3,019,807
Public safety	1,131,116	-	1,131,116
Storm sewer	1,853	-	1,853
Housing activities	7,835,512	-	7,835,512
Pension	19,442,495	-	19,442,495
Unrestricted	(44,487,476)	10,795,126	(33,692,350)
<b>Total net position</b>	<b>\$ 20,050,263</b>	<b>\$ 23,578,719</b>	<b>\$ 43,628,982</b>

**City of Pinole**  
**Statement of Activities**  
**For the year ended June 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>Governmental activities:</b>				
General government	\$ 4,957,477	\$ 686,519	\$ 309,260	\$ -
Public safety	15,895,381	1,440,572	430,252	-
Public services	4,541,157	74,897	1,055,543	-
Recreation	949,734	172,486	-	-
Community development	1,275,333	503,324	-	-
Interest and fiscal charges	331,218	-	-	-
Total governmental activities	27,950,300	2,877,798	1,795,055	-
<b>Business-type activities:</b>				
Wastewater utility	6,688,530	7,527,056	-	-
Total business-type activities	6,688,530	7,527,056	-	-
<b>Total primary government</b>	<b>\$ 34,638,830</b>	<b>\$ 10,404,854</b>	<b>\$ 1,795,055</b>	<b>\$ -</b>

**General Revenues:**

Taxes:

Property taxes

Sales taxes

Franchise taxes

Utility taxes

Transient occupancy taxes

Other taxes

Unrestricted motor vehicle in lieu

Gain on disposal of assets

Investment earnings

Miscellaneous

Total general revenues

**Change in net position**

**Net position - beginning of year**

**Net position - end of year**

Primary Government  
Net (Expense) Revenue  
and Changes in Net Position

Total	Governmental Activities	Business-Type Activities	Total
\$ 995,779	\$ (3,961,698)	\$ -	\$ (3,961,698)
1,870,824	(14,024,557)	-	(14,024,557)
1,130,440	(3,410,717)	-	(3,410,717)
172,486	(777,248)	-	(777,248)
503,324	(772,009)	-	(772,009)
-	(331,218)	-	(331,218)
4,672,853	(23,277,447)	-	(23,277,447)
7,527,056	-	838,526	838,526
7,527,056	-	838,526	838,526
\$ 12,199,909	(23,277,447)	838,526	(22,438,921)
	4,001,411	-	4,001,411
	9,114,809	-	9,114,809
	751,598	-	751,598
	2,329,873	-	2,329,873
	446,105	-	446,105
	468,987	-	468,987
	2,004,884	-	2,004,884
	83,209	-	83,209
	3,020,587	44,259	3,064,846
	270,712	-	270,712
	22,492,175	44,259	22,536,434
	(785,272)	882,785	97,513
	20,835,535	22,695,934	43,531,469
\$ 20,050,263	\$ 23,578,719	\$ 43,628,982	

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

**City of Pinole**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

	Major Funds			Totals
	General Fund	Housing Programs Special Revenue Fund	Non-Major Governmental Funds	
<b>ASSETS</b>				
Cash and investments	\$ 19,457,868	\$ 4,073,170	\$ 8,931,295	\$ 32,462,333
Accounts receivable	2,443,403	710	484,863	2,928,976
Due from other funds	111,110	-	-	111,110
Due from private-purpose trust	-	2,541,575	-	2,541,575
Prepaid items and supplies	-	-	315,552	315,552
Inventory	18,782	-	-	18,782
Land held for redevelopment	-	1,222,070	-	1,222,070
Restricted cash - Pension	19,442,495	-	-	19,442,495
<b>Total assets</b>	<b>\$ 41,473,658</b>	<b>\$ 7,837,525</b>	<b>\$ 9,731,710</b>	<b>\$ 59,042,893</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,417,029	\$ 2,013	\$ 507,564	\$ 1,926,606
Unearned revenue	53,505	-	243,976	297,481
Deposits payable	35,924	-	95,076	131,000
Due to other funds	-	-	111,110	111,110
<b>Total liabilities</b>	<b>1,506,458</b>	<b>2,013</b>	<b>957,726</b>	<b>2,466,197</b>
<b>Fund Balances:</b>				
Nonspendable	18,782	-	315,552	334,334
Restricted	19,623,678	7,835,512	6,069,741	33,528,931
Assigned	7,836,178	-	2,526,571	10,362,749
Unassigned	12,488,562	-	(137,880)	12,350,682
<b>Total fund balances</b>	<b>39,967,200</b>	<b>7,835,512</b>	<b>8,773,984</b>	<b>56,576,696</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 41,473,658</b>	<b>\$ 7,837,525</b>	<b>\$ 9,731,710</b>	<b>\$ 59,042,893</b>

# City of Pinole

## Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2021

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**Total Fund Balances - Total Governmental Funds** \$ 56,576,696

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 \$64,279,558 31,008,808

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Long-term debt	(3,680,047)
Deferred outflows related to pension	7,049,756
Deferred outflows related to OPEB	8,602,568
Net OPEB liability	(41,861,011)
Net pension liability	(33,027,646)
Deferred inflows related to pension	(1,441,040)
Deferred inflows related to OPEB	<u>(3,177,821)</u>

**Net Position of Governmental Activities** \$ 20,050,263

# City of Pinole

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

### Governmental Funds

For the year ended June 30, 2021

	Major Funds			Totals
	General Fund	Housing Programs Special Revenue Fund	Non-Major Governmental Funds	
<b>REVENUES:</b>				
Taxes and assessments	\$ 18,540,071	\$ -	\$ 515,762	\$ 19,055,833
Intergovernmental revenues	298,719	-	1,557,624	1,856,343
Loan repayments	55,197	52,715	-	107,912
Contributions	-	-	14,274	14,274
Investment earnings	2,861,375	7,374	19,560	2,888,309
Rents and ground leases	121,030	-	10,305	131,335
Charges for services	1,521,791	-	923,108	2,444,899
Fines, forfeitures and penalties	13,166	-	28,070	41,236
Other revenues	130,532	-	411,147	541,679
<b>Total revenues</b>	<b>23,541,881</b>	<b>60,089</b>	<b>3,479,850</b>	<b>27,081,820</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,876,560	-	442,944	4,319,504
Public safety	12,775,129	-	1,113,961	13,889,090
Public services	1,120,420	-	328,398	1,448,818
Recreation	-	-	820,918	820,918
Community development	173,504	44,092	987,604	1,205,200
Capital outlay	1,424,147	-	1,507,873	2,932,020
Debt service:				
Principal	227,389	-	-	227,389
Interest and fiscal charges	331,218	-	-	331,218
<b>Total expenditures</b>	<b>19,928,367</b>	<b>44,092</b>	<b>5,201,698</b>	<b>25,174,157</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,613,514</b>	<b>15,997</b>	<b>(1,721,848)</b>	<b>1,907,663</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of asset	83,209	-	-	83,209
Transfers in	-	-	1,681,841	1,681,841
Transfers out	(1,528,336)	-	(153,505)	(1,681,841)
<b>Total other financing sources (uses)</b>	<b>(1,445,127)</b>	<b>-</b>	<b>1,528,336</b>	<b>83,209</b>
<b>Net change in fund balances</b>	<b>2,168,387</b>	<b>15,997</b>	<b>(193,512)</b>	<b>1,990,872</b>
<b>FUND BALANCES:</b>				
Beginning of year	37,798,813	7,819,515	8,967,496	54,585,824
End of year	\$ 39,967,200	\$ 7,835,512	\$ 8,773,984	\$ 56,576,696

## 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, 2021

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,990,872</b>
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Capital outlay	\$ 1,848,938	
Gain on disposal of assets	83,209	
Proceed from sale of assets	(83,209)	
Depreciation expense	<u>(1,614,246)</u>	
Total capital assets	<u>\$ 234,692</u>	234,692

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:

Bond principal payments	227,389
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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	(75,202)	
Net difference between OPEB expense and contributions subsequent at the measurement date	(1,674,432)	
Net difference between pension expense and contributions subsequent at the measurement date	<u>(1,488,591)</u>	
Total	<u>\$ (3,238,225)</u>	<u>(3,238,225)</u>

<b>Change in Net Position of Governmental Activities</b>	<b>\$ (785,272)</b>
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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, 2021**

	Business-type Activities Wastewater Utility Enterprise Fund
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 17,123,487
Accounts receivable	562,306
Prepaid items	1,089,184
Inventory	3,586
Total current assets	<u>18,778,563</u>
Noncurrent assets:	
Capital assets being depreciated, net	<u>44,207,569</u>
<b>Total assets</b>	<u>62,986,132</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension and OPEB related amounts	<u>1,739,239</u>
<b>Total deferred inflows of resources</b>	<u>1,739,239</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts Payable	\$ 778,199
Compensated absences - current	31,727
Bonds payable - current	329,000
Notes payable - current	668,026
Total current liabilities	<u>1,806,952</u>
Noncurrent liabilities:	
Compensated absences - noncurrent	78,600
Net OPEB liability	4,651,224
Bonds payable - noncurrent	6,321,000
Notes payable - noncurrent	24,105,950
Net Pension liability	3,669,717
Total noncurrent liabilities	<u>38,826,491</u>
<b>Total liabilities</b>	<u>40,633,443</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension and OPEB related amounts	<u>513,209</u>
<b>Total deferred inflows of resources</b>	<u>513,209</u>
<b>NET POSITION</b>	
Net investment in capital assets	12,783,593
Unrestricted	<u>10,795,126</u>
<b>Total net position</b>	<u>\$ 23,578,719</u>

# City of Pinole

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

### Proprietary Funds

For the year ended June 30, 2021

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	Business-type Activities Wastewater Utility Enterprise Fund
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 7,527,056
<b>Total operating revenues</b>	<u>7,527,056</u>
<b>OPERATING EXPENSES:</b>	
Sewer treatment plant	3,711,856
Sewer maintenance	1,238,765
Depreciation	1,116,577
<b>Total operating expenses</b>	<u>6,067,198</u>
<b>OPERATING INCOME (LOSS):</b>	<u>1,459,858</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Interest revenue	44,259
Interest expense	(621,332)
<b>Total nonoperating revenues (expenses)</b>	<u>(577,073)</u>
<b>Change in net position</b>	882,785
<b>NET POSITION:</b>	
Beginning of year	<u>22,695,934</u>
End of year	<u>\$ 23,578,719</u>

**City of Pinole**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2021**

	Business-type Activities Wastewater Utility Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 7,814,314
Cash paid to suppliers	(4,533,991)
Cash paid to employees	(1,707,321)
<b>Net cash provided by operating activities</b>	<b>1,573,002</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Acquisition and construction of capital assets	(446,823)
Principal paid on capital debt	(1,000,857)
Interest paid on capital debt	(621,332)
<b>Net cash used in capital and related financing activities</b>	<b>(2,069,012)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and dividends	44,259
<b>Net cash provided by investing activities</b>	<b>44,259</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(451,751)</b>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	17,575,238
End of year	\$ 17,123,487
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ 1,459,858
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	1,116,577
(Increase) decrease in assets:	
Accounts receivables	287,258
Inventory	4,101
Deferred outflows of resources	(708,890)
Increase (decrease) in liabilities:	
Accounts payable	(1,586,852)
Compensated absences	(59,391)
Net OPEB liability	1,013,262
Net Pension Liability	278,276
Deferred inflows of resources	(231,197)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 1,573,002</b>

**City of Pinole**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

	Private-Purpose Trust Fund	Custodial Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,152,251	\$ 163,725
Accounts receivable	4,618	-
Notes receivable, net of allowance	233,261	-
Land held for redevelopment	3,151,254	-
Capital assets not being depreciated	2,504,793	-
Capital assets being depreciated, net	7,827,802	-
<b>Total assets</b>	<b>19,873,979</b>	<b>163,725</b>
<b>LIABILITIES</b>		
Accounts payable	3,645	13,196
Deposits payable	56,238	130,285
Due to City	2,541,575	-
Due to County	18	-
Interest Payable	112,245	-
Bonds payable:		
Due within one year	4,125,000	-
Due in more than one year	7,790,000	-
<b>Total liabilities</b>	<b>14,628,721</b>	<b>143,481</b>
<b>NET POSITION</b>		
Held in trust for dissolution of RDA	5,245,258	-
Held in trust for other government	-	20,244
<b>Total net position</b>	<b>\$ 5,245,258</b>	<b>\$ 20,244</b>

**City of Pinole**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2021**

	Private-Purpose Trust Fund	Custodial Funds
<b>ADDITIONS:</b>		
Property taxes	\$ 6,111,602	\$ -
Investment income	3,185	98
Charges for services	-	79
Other revenues	12,682	-
<b>Total additions</b>	<b>6,127,469</b>	<b>177</b>
<b>DEDUCTIONS:</b>		
Operating cost	352,370	-
Depreciation	260,282	-
Debt interest	275,848	-
<b>Total Deductions</b>	<b>888,500</b>	<b>-</b>
<b>Change in fiduciary net position</b>	<b>5,238,969</b>	<b>177</b>
<b>NET POSITION:</b>		
Beginning of year, as restated	6,289	20,067
End of year	<b>\$ 5,245,258</b>	<b>\$ 20,244</b>

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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, 2021**

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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, 2021 was 19,369.

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, 2021, the City's staff comprised 86 full-time and 30 part-time employees who are responsible for the following City-provided services:

Public Safety - The City employs 22 sworn and 17 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 8 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 10 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 44 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, 2021**

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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 criteria described on the following page:

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

***B. Basis of Presentation, Continued***

- 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
- 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):*

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. Fiduciary funds are accounted for using the full accrual basis of accounting. The City reports the following fiduciary funds:

*Custodial Funds* - Custodial Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations, and other governments for which the City has a custodial responsibility.

*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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

***B. Basis of Presentation, Continued***

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.

Housing Programs Fund - This fund receives tax increment funds from the Successor Agency representing 20% set-aside restricted 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:

Custodial Funds - These funds are custodial in nature and 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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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

- 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.
- b. The government-wide financial statements utilize an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and deferred outflows of resources and liabilities and deferred inflows of resources (whether current or noncurrent) are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.
- c. All Fiduciary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting.

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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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

Basis of Accounting, Continued

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.

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, 2021**

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

The City's investments are carried at fair value. The fair value of equity and debt securities is determined based on sales prices or bid-and-asked quotations from SEC-registered securities exchanges or NASDAQ dealers. 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. 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, 2021**

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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, 2021**

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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, 2021. 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, 2021**

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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 Postemployment 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 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. 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, 2019
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 to June 30, 2020

**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, 2021**

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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, 2021**

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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. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements***

In 2021, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

**GASB Statement No. 84 - Fiduciary Activities** - The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The City restated its beginning net position of the custodial funds as part of implementation of this statement.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

*T. Implementation of Governmental Accounting Standards Board (GASB) Pronouncements, Continued*

**GASB Statement No. 90** – Majority Equity Interests – The primary objectives of this Statement are to improve the consistency and comparability of reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legal separate organization should be reported as an investment if a government’s holding of the equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this statement did not apply to the City for the current fiscal year.

**GASB Statement No. 93** – Interbank Offered Rates (except LIBOR removal and lease modifications) – Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) –most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument’s variable payment. In addition, in accordance with GASB Statement No. 87, Leases, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of GASB Statement No. 93 is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this statement did not apply to the City for the current fiscal year.

**GASB Statement No. 98** – The Annual Comprehensive Financial Report – This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in the generally accepted accounting principles for state and local governments. The City has elected to early implement the provisions of this Statement during the current fiscal year and duly changed its report titles.

**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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

**2. CASH AND INVESTMENTS, Continued**

**A. Summary of Cash and Investments**

Cash and investments as of June 30, 2021 were classified in the accompanying financial statements as follows:

	<b>Cash &amp; Investments</b>	<b>Restricted cash &amp; Investments</b>	<b>Total</b>
Governmental activities	\$ 32,462,333	\$ 19,442,495	\$ 51,904,828
Business-type activities	17,123,487	-	17,123,487
Total government-wide cash and investments	49,585,820	19,442,495	69,028,315
Fiduciary activities	6,315,976	-	6,315,976
Total cash and investments	<u>\$ 55,901,796</u>	<u>\$ 19,442,495</u>	<u>\$ 75,344,291</u>

Cash and investments were carried at fair value as of June 30, 2021 and consisted of the following:

Cash on hand	\$ 1,914
Deposits with financial institution	2,634,843
Total cash on hand and deposits	<u>2,636,757</u>
Money Market	11,148,452
Local Agency Investment Funds	29,440,298
CalTrust	3,365,865
Investments held by custodian	7,484,673
Restricted cash - PARS	19,442,495
Total investments	<u>70,881,783</u>
Restricted cash - other	1,825,751
Total cash and investments	<u>\$ 75,344,291</u>

**B. Deposits**

The carrying amount of the City's cash deposit was \$2,634,843 at June 30, 2021. Balance before reconciling amounts were a positive amount of \$2,536,912 at June 30, 2021. The City has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The remaining amount was collateralized with securities pledged by the pledging financial institution in the City's name.

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

**2. CASH AND INVESTMENTS, Continued**

**B. Deposits, Continued**

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

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

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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**2. CASH AND INVESTMENTS, Continued**

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

*D. Investments Authorized by Debt Agreements*

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

Authorized Investment 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, 2021**

**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, 2021:

Investments	Total Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Federal agency securities	\$ 498,780	\$ -	\$ 498,780	\$ -
Corporate notes	1,778,815	-	1,778,815	-
Negotiable certificates of deposits	3,671,828	-	3,671,828	-
Restricted Cash - PARS	19,442,495	-	19,442,495	-
Total subject to levelling	25,391,918	\$ -	\$ 25,391,918	\$ -
<i>Investments not subject to levelling</i>				
Money Market	11,148,452			
Mutual Funds	1,535,250			
Local Agency Investment Fund	29,440,298			
Caltrust	3,365,865			
Total	\$ 70,881,783			

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, 2021**

**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, 2021:

	Remaining Maturity		Total Fair Value
	12 Months or less	1-5 years	
Money Market	\$ 11,148,452	\$ -	\$ 11,148,452
Local Agency Investment Fund	29,440,298	-	29,440,298
Caltrust	3,365,865	-	3,365,865
Securities of U.S. Government:			
Federal agency securities	-	498,780	498,780
Corporate notes	1,009,675	769,140	1,778,815
Negotiable certificates of deposits	373,544	3,298,284	3,671,828
Mutual Funds	1,535,250	-	1,535,250
Restricted cash - PARS	19,442,495	-	19,442,495
<b>Total</b>	<b>\$ 66,315,579</b>	<b>\$ 4,566,204</b>	<b>\$ 70,881,783</b>

**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	\$ 11,148,452			Not rated
Local Agency Investment Fund	29,440,298			Not rated
Caltrust	3,365,865	Aaf/S1		
Securities of U.S. Government				
Federal Agency Securities	498,780	AA+	Aaa	
Corporate Notes	1,275,045	AAA	Aaa	
Corporate Notes	503,770	A+	Aa2	
Negotiable certificates of deposits	3,671,828			Not rated
Mutual Funds	1,535,250			Not rated
Restricted cash - PARS	19,442,495			Not rated
<b>Total</b>	<b>\$ 70,881,783</b>			

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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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. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments at June 30, 2021.

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, 2021 and 2020, 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, 2021, the City had \$29,440,298 invested in LAIF, which had invested 2.31% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 3.37% in the previous year. The LAIF fair value factor of 1.00008297 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.

**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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

These notes and loans receivable, including interest, comprised of the following at June 30, 2021 and are explained in detail below:

	Notes Receivable	Less: Allowance for Doubtful Notes
Housing Rehabilitation	\$ 33,673	\$ (33,673)
First Time Home-Buyer	268,095	(268,095)
Bridge Housing Loan	1,024,514	(1,024,514)
Alvarez Court	1,772,978	(1,772,978)
Eastbuff Apartment Loan	1,095,849	(1,095,849)
Total	\$ 4,195,108	\$ (4,195,108)

**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 \$33,673 at June 30, 2021.

**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, 2021 was \$268,095.

**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 3% per year, secured by a deed of trust on the Project.

Principal and interest are due annually but are payable only from surplus cash flow as defined in the note. The Project is not expected to generate a surplus cash flow and under the terms of the note, 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, 2021, the outstanding balance was \$1,024,514.

**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, 2021, the total outstanding balance was \$1,772,978.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

*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 April 2016 and is secured by a deed of trust. The note bears an annual compound interest rate of 2.25% for a term of 55 years or until full repayment of the principal balance of the loan. Payments are the greater of \$63,375 per year or 50% of the surplus cash flow as defined in the terms of the Note. As of June 30, 2021, the outstanding balance was \$1,095,849.

*F. 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, 2021.

**4. LAND HELD FOR HOUSING**

At June 30, 2021, 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, 2021**

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
<i><b>Governmental activities:</b></i>					
<b>Nondepreciable assets:</b>					
Land	\$ 6,313,621	\$ -	\$ -	\$ -	\$ 6,313,621
Construction in progress	176,194	418,520	-	-	594,714
<b>Total nondepreciable assets</b>	<b>6,489,814</b>	<b>418,520</b>	<b>-</b>	<b>-</b>	<b>6,908,335</b>
<b>Capital assets being depreciated</b>					
Buildings and improvements	15,962,147	-	(2,258)	-	15,959,889
Equipment	5,726,634	203,119	-	-	5,929,753
Vehicles	3,409,645	1,227,299	-	-	4,636,944
Streets and roads	51,462,868	-	-	-	51,462,868
Storm drains	2,880,999	-	-	-	2,880,999
Bridges	3,117,473	-	-	-	3,117,473
Parks	2,502,680	-	-	-	2,502,680
<b>Total capital assets being depreciated</b>	<b>85,062,446</b>	<b>1,430,418</b>	<b>(2,258)</b>	<b>-</b>	<b>86,490,606</b>
<b>Accumulated depreciation</b>					
Buildings and improvements	10,880,853	254,363	(2,258)	-	11,132,958
Equipment	4,570,462	257,348	-	-	4,827,810
Vehicles	2,654,867	315,410	-	-	2,970,277
Streets and roads	38,266,717	721,706	-	-	38,988,423
Storm drains	1,392,809	23,066	-	-	1,415,875
Bridges	1,918,963	36,783	-	-	1,955,746
Parks	1,093,474	5,570	-	-	1,099,044
<b>Total accumulated depreciation</b>	<b>60,778,144</b>	<b>1,614,246</b>	<b>(2,258)</b>	<b>-</b>	<b>62,390,133</b>
<b>Net depreciable assets</b>	<b>24,284,302</b>	<b>(183,828)</b>	<b>-</b>	<b>-</b>	<b>24,100,473</b>
<b>Total net capital assets</b>	<b>\$30,774,116</b>	<b>\$ 234,692</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$31,008,808</b>

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

General administration	\$ 67,071
Public safety	480,521
Public services	973,838
Recreation	85,941
Community development	6,875
<b>Total depreciation expense</b>	<b>\$ 1,614,246</b>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

**5. CAPITAL ASSETS, Continued**

	Balance June 30, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
<i><b>Business-type activities</b></i>					
<b>Depreciable assets:</b>					
Buildings and improvements	\$ 51,748,278	\$ 17,168	\$ -	\$ -	\$ 51,765,446
Sewer lines	7,650,185	-	-	-	7,650,185
Equipment	3,259,400	-	-	-	3,259,400
Vehicles	578,652	429,654	-	-	1,008,306
<b>Total depreciable assets</b>	<b>63,236,515</b>	<b>446,822</b>	<b>-</b>	<b>-</b>	<b>63,683,337</b>
<b>Accumulated depreciation</b>					
Buildings and improvements	7,917,180	954,442	-	-	8,871,622
Sewer lines	8,018,064	83,699	-	-	8,101,763
Equipment	1,845,296	78,436	-	-	1,923,732
Vehicles	578,652	-	-	-	578,652
<b>Total accumulated depreciation</b>	<b>18,359,192</b>	<b>1,116,577</b>	<b>-</b>	<b>-</b>	<b>19,475,768</b>
<b>Net depreciable assets</b>	<b>44,877,323</b>	<b>(669,755)</b>	<b>-</b>	<b>-</b>	<b>44,207,569</b>
<b>Total net capital assets</b>	<b>\$ 44,877,323</b>	<b>\$ (669,755)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 44,207,569</b>

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

Wastewater Utility	\$ 1,116,577
	<u>\$ 1,116,577</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, 2021 the balance outstanding on the advance was \$0.

An advance of \$2,541,575 from the Housing Program Fund was to assist the Successor Agency with administrative, operation, program cost, repay SERAF payments (2009-10 and 2010-11) to the State of California funded by Housing Set Aside Fund.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

**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, 2021:

	Balance July 1, 2020	Addition	Retirements	Balance June 30, 2021	Current Portion
<b>Governmental Activity Debt:</b>					
2006 Pension Obligation Bond	\$ 2,961,839	\$ -	\$ (227,389)	\$ 2,734,450	\$ 221,565
Compensated Absences	870,394	592,400	(517,197)	945,597	153,280
<b>Total Governmental Activity Debt</b>	<b>\$ 3,832,231</b>	<b>\$ 592,400</b>	<b>\$ (744,586)</b>	<b>\$ 3,680,047</b>	<b>\$ 374,845</b>

A description of the long-term liabilities related to governmental activities at June 30, 2021 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 June 30,	2006 Pension Obligation Bond	
	Principal	Interest
2022	\$ 221,565	\$ 353,435
2023	215,586	379,414
2024	207,790	402,210
2025	203,321	431,679
2026	195,585	454,415
2027-2031	903,985	2,696,015
2032-2036	786,618	3,448,382
Total	<b>\$ 2,734,450</b>	<b>\$ 8,165,550</b>
Due within one year	\$ 221,565	\$ 353,435
Due after one year	2,512,885	7,812,115
Total	<b>\$ 2,734,450</b>	<b>\$ 8,165,550</b>

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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

**A. Governmental Activities, Continued**

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			Balance		Current
	July 1, 2020	Additions	Retirements	June 30, 2021	Portion	
General Administration	\$ 174,780	\$ 61,469	\$ (167,433)	\$ 68,816	\$ 13,444	A
Public Safety	584,907	381,007	(403,216)	562,698	107,752	A
Public Services	64,393	87,990	5,985	158,368	25,794	B
Recreation	43,597	58,712	47,374	149,683	6,000	B
Community Development	2,717	3,222	93	6,032	290	B
<b>Total</b>	<b>\$ 870,394</b>	<b>\$ 592,400</b>	<b>\$ (517,197)</b>	<b>\$ 945,597</b>	<b>\$ 153,280</b>	

The following funds have been used to liquidate compensated absences:

**A** - General Fund **B** - Non-Major Funds

**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, 2021.

	Balance			Balance		Current
	June 30, 2021	Addition	Retirements	June 30, 2021	Portion	
<b>Business-type Activity Debt:</b>						
2016 Wastewater Revenue Refunding Bond	\$ 6,968,000	\$ -	\$ (318,000)	\$ 6,650,000	\$ 329,000	
2016 Clean Water State Revolving Fund	25,456,833	-	(682,858)	24,773,976	668,026	
Compensated Absences	169,716	5,276	(64,665)	110,327	31,727	
<b>Total Business-Type Activity Debt</b>	<b>\$32,594,551</b>	<b>\$ 5,276</b>	<b>\$ (1,065,523)</b>	<b>\$31,534,303</b>	<b>\$ 1,028,753</b>	

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

A description of the long-term liabilities related to business-type activities at June 30, 2021 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 June 30,	2016 Wastewater Revenue	
	Principal	Interest
2022	\$ 329,000	\$ 191,322
2023	341,000	181,440
2024	347,000	171,292
2025	362,000	160,834
2026	372,000	150,008
2027-2031	2,025,000	576,710
2032-2036	2,357,000	254,157
2037	517,000	7,626
Total	<u>\$ 6,650,000</u>	<u>\$ 1,693,390</u>
Due within one year	\$ 329,000	\$ 191,322
Due after one year	<u>6,321,000</u>	<u>1,502,068</u>
Total	<u>\$ 6,650,000</u>	<u>\$ 1,693,390</u>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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

2016 Clean Water State Revolving Fund

In May 2016, the City entered into a loan agreement with the State of California Water Resources Control Board to provide funding for its 50% share of upgrades to the Pinole-Hercules Wastewater Pollution Control Plant to achieve compliance with Regional Water Quality Board NPDES. Funds are drawn on the agreement as work is completed up to a maximum amount of \$26.7 million plus any construction period interest. The loan accrues interest at a rate of 1.7 percent annually. Annual principal payments are due each July 1, commencing July 1, 2020. Final payment is due July 2049. Net revenues, defined as all sewer enterprise fund revenues less operations and maintenance costs (excluding depreciation and amortization expenses), is pledged for future debt service. As of June 30, 2021, the total debt outstanding on the loan is \$24,773,976. The table below includes future debt service requirements related to this amount.

Year Ending June 30,	2016 Clean Water State Revolving	
	Principal	Interest
2022	\$ 668,026	\$ 421,158
2023	679,383	409,801
2024	690,932	398,252
2025	702,678	386,506
2026	714,624	374,560
2027-2031	3,759,531	1,686,389
2032-2036	4,090,142	1,355,777
2037-2041	4,449,828	996,092
2042-2046	4,841,144	604,776
2047-2050	4,177,688	179,047
Total	<u>\$ 24,773,976</u>	<u>\$ 6,812,358</u>
Due within one year	\$ 668,026	\$ 421,158
Due after one year	24,105,950	6,391,200
Total	<u>\$ 24,773,976</u>	<u>\$ 6,812,358</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 and proprietary funds as appropriate. The liability for compensated absences is determined annually.

Compensated absences for proprietary fund will be paid by the respective fund in which the expense was accrued. The activities for the year ended June 30, 2021 are as follows:

	Balance	Additions	Retirements	Balance	Current
	July 1, 2020			June 30, 2021	Portion
Wastewater Utility Fund	\$ 169,716	\$ 5,276	\$ (64,665)	\$ 110,327	\$ 31,727
<b>Total</b>	<u>\$ 169,716</u>	<u>\$ 5,276</u>	<u>\$ (64,665)</u>	<u>\$ 110,327</u>	<u>\$ 31,727</u>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

**8. INTERFUND TRANSACTIONS**

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

Transfers between funds during the fiscal year ended June 30, 2021 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
General Fund	Cable Television Fund	Cable TV contributions	\$ 174,853
General Fund	Capital Projects Fund	Funding for projects	500,000
General Fund	Recreation Fund	Recreation operating contributions	632,055
General Fund	Police Fund	Police grant	29,428
General Fund	Building & Planning Fund	Building fund operating contributions	192,000
		Sub-total	1,528,336
Refuse Management	Rate Stabilization	Rate Stabilization	107,805
Solid Waste Fund	Rate Stabilization	Rate Stabilization	45,700
		Sub-total	153,505
		Total	\$ 1,681,841

Inter-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.

**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).

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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

The rate plan provisions and benefits in effect for the year ended June 30, 2021, 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%		6.750%
Required employer contribution rates*	12.361%		7.732%
Required UAL payment	\$ 1,153,967	\$	94,043
	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	9.00%		13.00%
Required employer contribution rates (Police)*	21.746%		13.044%
Required UAL payment (Police)	\$ 1,299,445	\$	2,214
			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			13.00%
Required employer contribution rates (Police)*			13.044%
Required UAL payment (Police)		\$	5,352

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

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, 2020 were \$3,367,332.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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

As of June 30, 2021, the City reported net pension liability for its proportionate share of the net pension liability of the Plan of \$36,697,363.

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, 2018, 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, 2018 rolled forward to June 30, 2019 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, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.33097 %
Proportion - June 30, 2020	<u>0.33728 %</u>
Change - Increase (Decrease)	0.00631 %

For the year ended June 30, 2021, the City recognized pension expense of \$5,443,139. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 3,789,111	\$ -
Differences between actual and expected experience	2,429,390	-
Changes in assumptions	-	183,079
Net differences between projected and actual earnings on plan investments	925,180	-
Change in employer's proportion	689,472	-
Differences between actual contributions and proportionate share of contributions	-	<u>1,418,079</u>
Total	<u>\$ 7,833,153</u>	<u>\$ 1,601,158</u>

\$3,789,111 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, 2022. 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:	
2022	\$ 235,362
2023	976,232
2024	777,912
2025	453,379

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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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**

Actuarial Assumptions- The total pension liabilities for the measurement date June 30, 2020 were determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
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 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) Net of pension plan investment expenses.

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Changes in Assumptions - There were no changes of assumptions during the measurement period ended June 30, 2020. 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.

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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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

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 on the next page 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. These rates of return are net of administrative expenses.

Asset Class <sup>(1)</sup>	Assumed Asset Allocation	Real Return Years 1 - 10 <sup>(2)</sup>	Real Return Years 11+ <sup>(3)</sup>
Global equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100%</u>		

<sup>(1)</sup> In the System's ACFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

<sup>(2)</sup> An expected inflation of 2.00% used for this period.

<sup>(3)</sup> An expected inflation of 2.92% used for this period.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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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	\$	53,774,717
Current Discount Rate		7.15%
Net Pension Liability	\$	36,697,363
1% Increase		8.15%
Net Pension Liability	\$	22,645,020

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, 2021, the City reported \$0 for outstanding amounts of contributions for the CalPERS 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 \$2,028 per month per family. For the year ended June 30, 2021, the City had 105 retired employees. The City currently has 100 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	93
Inactive entitled to but not yet receiving benefits	12
Active employees	100
Total	<u>205</u>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

**D. Net OPEB Liability**

The City's net OPEB liability was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date.

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	2.21% - Bond Buyer 20-Bond Index
Inflation	2.75% annually
Salary Increases	3% - Aggregated
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Mortality projected fully generational with Scale MP-2019
Healthcare cost trend rates	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

*E. Discount Rate*

The discount rate used to measure the total OPEB liability was 3.50%. 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.

*F. Changes in the Total OPEB Liability*

	Total OPEB Liability
Balance at June 30, 2020 (Measurement date June 30, 2019)	\$ 36,379,615
Changes in the year:	
Service cost	1,615,428
Interest on the total pension liability	1,308,423
Changes in assumptions	8,431,861
Changes in benefit terms	-
Benefit payments	(1,223,092)
Net changes	10,132,620
Balance at June 30, 2021 (Measurement date June 30, 2020)	\$ 46,512,235

*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 - 1.21 %	
Total OPEB liability	\$ 56,179,825
Current Discount Rate - 2.21 %	
Total OPEB liability	\$ 46,512,235
1% Increase - 3.21 %	
Total OPEB liability	\$ 39,175,571

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

**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	\$	38,385,426
Current Healthcare Trend Rate		
Total OPEB liability	\$	46,512,235
1% Increase		
Total OPEB liability	\$	57,289,469

**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:

Net difference between projected and actual earnings on OPEB plan investments	5 years, straight line of amortization
All amounts	Expected average remaining service lifetime (EARSL) (6 years at June 30,, 2021)

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$3,122,046. For the fiscal year ended June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,261,566	\$ -
Changes in assumptions	8,296,844	2,016,490
Differences between expected and actual experience	-	1,514,422
<b>Total</b>	<b>\$ 9,558,410</b>	<b>\$ 3,530,912</b>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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

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

The \$1,261,566 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/(Inflows) of
2022	\$ 195,331
2023	617,331
2024	1,188,832
2025	1,359,127
2026	1,405,311

**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, 2021**

**11. FUND BALANCE, Continued**

As of June 30, 2021, fund balances consisted of the following:

	General Fund	Housing Programs	Nonmajor Governmental Funds	Total
Fund Balances				
<b>Nonspendable fund balance:</b>				
Inventory	\$ 18,782	\$ -	\$ -	\$ 18,782
Prepaid items and supplies	-	-	315,552	315,552
Total Nonspendable	<u>18,782</u>	<u>-</u>	<u>315,552</u>	<u>334,334</u>
<b>Restricted fund balance for:</b>				
Housing Redevelopment	-	7,835,512	-	7,835,512
Real estate maintenance	181,183	-	-	181,183
Police	-	-	1,043,775	1,043,775
Growth impact	-	-	141,492	141,492
Gas Tax	-	-	356,517	356,517
Measure C	-	-	1,741,631	1,741,631
Parkland Dedication	-	-	104,448	104,448
Storm Water	-	-	1,853	1,853
Refuse Management	-	-	192,377	192,377
Capital projects	-	-	324,852	324,852
Solid Waste	-	-	1,863,362	1,863,362
CASP Certification	-	-	27,417	27,417
Rate Stabilization	-	-	184,676	184,676
Adjudicated Asset Seizure	-	-	87,341	87,341
Pension Fund	19,442,495	-	-	19,442,495
Total Restricted	<u>19,623,678</u>	<u>7,835,512</u>	<u>6,069,741</u>	<u>33,528,931</u>
<b>Assigned fund balance for:</b>				
Capital projects	-	-	2,495,229	2,495,229
General reserve	7,492,770	-	-	7,492,770
Emergency reserve	100,000	-	-	100,000
Equipment reserve	243,408	-	-	243,408
Police	-	-	2,180	2,180
Recreation	-	-	29,162	29,162
Total Assigned fund balance	<u>7,836,178</u>	<u>-</u>	<u>2,526,571</u>	<u>10,362,749</u>
<b>Unassigned fund balance</b>				
Minimum fund balance reserve	12,488,562	-	(137,880)	12,350,682
	<u>12,488,562</u>	<u>-</u>	<u>(137,880)</u>	<u>12,350,682</u>
<b>Total Fund Balances</b>	<u>\$ 39,967,200</u>	<u>\$ 7,835,512</u>	<u>\$ 8,773,984</u>	<u>\$ 56,576,696</u>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

**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, 2021, the City contributed \$1,084,929 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, 2021, the following funds had a fund deficit:

Fund	Deficit
Cable TV	\$ (3,131)
Building and Planning	\$ (134,313)
Development Services	\$ (436)

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

**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, 2021 was as follows:

	Balance June 30, 2020	Additions	Retirements/ Adjustments	Transfers	Balance June 30, 2021
<b>Fiduciary Activities:</b>					
<b>Capital assets not being depreciated:</b>					
Land	\$ 2,504,793	\$ -	\$ -	\$ -	\$ 2,504,793
<b>Total assets not being depreciated</b>	<b>2,504,793</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,504,793</b>
<b>Capital assets being depreciated:</b>					
Buildings and improvements	9,478,371	-	-	-	9,478,371
Streets and roads	3,024,273	-	-	-	3,024,273
Bridges	433,276	-	-	-	433,276
Parks	159,935	-	-	-	159,935
<b>Total capital assets being depreciated</b>	<b>13,095,592</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13,095,855</b>
<b>Accumulated depreciation:</b>					
Buildings and improvements	3,324,224	193,566	263	-	3,518,053
Streets and roads	1,442,646	57,438	-	-	1,500,084
Bridges	80,703	9,278	-	-	89,981
Parks	159,935	-	-	-	159,935
<b>Total accumulated depreciation</b>	<b>5,007,508</b>	<b>260,282</b>	<b>263</b>	<b>-</b>	<b>5,268,053</b>
<b>Net depreciable assets</b>	<b>8,088,084</b>	<b>(260,282)</b>	<b>(263)</b>	<b>-</b>	<b>7,827,802</b>
<b>Total fiduciary activities capital assets, net</b>	<b>\$ 10,592,877</b>	<b>\$ (260,282)</b>	<b>\$ (263)</b>	<b>\$ -</b>	<b>\$ 10,332,595</b>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

**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, 2021:

	Balance July 1, 2020	Addition	Retirements	Balance June 30, 2021	Current Portion
<b>Tax Allocation Bonds:</b>					
2015 Series A Bonds	\$ 14,575,000	\$ -	\$ (2,660,000)	\$ 11,915,000	\$ 4,125,000
2015 Series B Bonds	375,000	-	(375,000)	-	-
<b>Total long-term debt</b>	<b>\$ 14,950,000</b>	<b>\$ -</b>	<b>\$ (3,035,000)</b>	<b>\$ 11,915,000</b>	<b>\$ 4,125,000</b>

A description of the long-term liabilities related to fiduciary activities at June 30, 2021 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 (2nd Subordinate), 2004A (2nd Subordinate), 2004A (3rd 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.

2015 Series A Tax Allocation Bond

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

	For the Year Ending June 30	Principal	Interest
2022		\$ 4,125,000	\$ 223,652
2023		4,220,000	128,936
2024		3,570,000	40,520
Total		<b>\$ 11,915,000</b>	<b>\$ 393,108</b>

**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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2021**

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**16. PRIOR PERIOD ADJUSTMENTS**

The City record period adjustments to update the beginning fiduciary net position balance of the custodial funds as part of implementation of GASB Statement No. 84.

	Net Position, as Previously Reported at June 30, 2020	Prior Period Adjustments		Net Position, as Restated at June 30, 2020
			Liabilities	
<i>Fund Financial Statements:</i>				
Custodial Funds	\$ -	\$	20,067	\$ 20,067

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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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 16,580,489	\$ 17,666,472	\$ 18,540,071	\$ 873,599
Intergovernmental revenues	92,026	592,657	298,719	(293,938)
Loan repayments	-	55,197	55,197	-
Investment earnings	150,000	150,000	2,861,375	2,711,375
Rents and ground leases	126,712	126,712	121,030	(5,682)
Charges for services	1,456,290	1,456,290	1,521,791	65,501
Fines, forfeitures and penalties	36,050	36,050	13,166	(22,884)
Other revenues	23,100	89,774	130,532	40,758
<b>Total revenues</b>	<b>18,464,667</b>	<b>20,173,152</b>	<b>23,541,881</b>	<b>3,368,729</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	3,453,266	3,881,366	3,876,560	4,806
Public safety	13,339,707	13,691,507	12,775,129	916,378
Public works	1,167,301	1,167,301	1,120,420	46,881
Community development	227,201	227,201	173,504	53,697
Capital outlay	3,280,472	3,688,048	1,424,147	2,263,901
Debt service:				
Principal	227,389	227,389	227,389	-
Interest and fiscal charges	327,611	328,718	331,218	(2,500)
<b>Total expenditures</b>	<b>22,022,947</b>	<b>23,211,530</b>	<b>19,928,367</b>	<b>3,283,163</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,558,280)</b>	<b>(3,038,378)</b>	<b>3,613,514</b>	<b>6,651,892</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of asset	1,000	1,000	83,209	82,209
Transfers out	(1,310,955)	(1,529,762)	(1,528,336)	1,426
<b>Total other financing sources (uses)</b>	<b>(1,309,955)</b>	<b>(1,528,762)</b>	<b>(1,445,127)</b>	<b>83,635</b>
<b>Net change in fund balances</b>	<b>\$ (4,868,235)</b>	<b>\$ (4,567,140)</b>	<b>2,168,387</b>	<b>\$ 6,735,527</b>
<b>FUND BALANCES:</b>				
Beginning of year			37,798,813	
End of year			<u>\$ 39,967,200</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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Loan Repayments	\$ 55,000	\$ 1,805,000	\$ 52,715	\$ (1,752,285)
Investment earnings	50,000	50,000	7,374	(42,626)
<b>Total revenues</b>	<u>105,000</u>	<u>1,855,000</u>	<u>60,089</u>	<u>(1,794,911)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>174,903</u>	<u>174,903</u>	<u>44,092</u>	<u>130,811</u>
<b>Total expenditures</b>	<u>174,903</u>	<u>174,903</u>	<u>44,092</u>	<u>130,811</u>
<b>Net change in fund balances</b>	<u>\$ (69,903)</u>	<u>\$ 1,680,097</u>	<u>15,997</u>	<u>\$ (1,664,100)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>7,819,515</u>	
End of year			<u>\$ 7,835,512</u>	

**City of Pinole**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2020**

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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, 2020**

**2. DEFINED BENEFIT PENSION PLAN**

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

Fiscal year:	2021	2020	2019	2018	2017	2016	2015
Measurement date:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the net pension liability	0.33728%	0.33097%	0.32602%	0.31631%	0.31346%	0.30817%	0.30594%
Proportionate share of the net pension liability	\$ 36,697,363	\$ 33,914,595	\$ 31,416,057	\$ 31,369,644	\$ 27,123,752	\$ 21,152,634	\$ 18,565,336
Covered payroll	\$ 8,979,455	\$ 8,488,051	\$ 7,653,834	\$ 7,521,153	\$ 7,470,896	\$ 7,687,029	\$ 7,659,156
Proportionate Share of the net pension liability as percentage of covered payroll	408.68%	399.56%	410.46%	417.09%	363.06%	275.17%	242.39%
Plan fiduciary net position as a percentage of the total pension liability	75.10%	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

**Notes to Schedule:**

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

**Assumption changes:** The CalPERS discount rate was increased from 7.5% to 7.65 in fiscal year 2016, and then decreased from 7.65 to 7.15 in fiscal year 2018. The Calpers mortality assumption were also adjusted in fiscal year 2019

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

Fiscal year	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 3,789,111	\$ 3,367,332	\$ 2,886,708	\$ 2,298,114	\$ 2,067,225	\$ 1,529,134	\$ 1,403,576
Contribution in relation to the actuarially determined contributions	\$ 3,789,111	3,367,332	2,886,708	2,298,114	2,067,225	1,529,134	1,470,096
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (66,520)
Covered payroll	\$9,515,674	\$8,979,455	\$8,488,051	\$7,653,834	\$7,521,153	\$7,470,896	\$7,687,029
Contributions as a percentage of covered payroll	39.82%	37.50%	34.01%	30.03%	27.49%	20.47%	19.12%

**Note to Schedule**

Valuation date:\*\* 6/30/2019 6/30/2018 6/30/2017 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.

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

Valuation date	6/30/2018
Actuarial cost method	Entry Age
Amortization method	Level of percentage of payroll, closed
Assets valuation method	Market Value
Inflation	2.50%
Salary increases	Depending on age, service, and type of employment
Investment rate of return	7.00%
Retirement age	50 for all plans, with the exception of 52 for Miscellaneous PEPRAs 2%@62
Mortality	Based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

**City of Pinole**  
**Notes to Required Supplementary Information**  
**For the year ended June 30, 2020**

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

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

<i>Measurement Period</i>	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 1,615,428	\$ 1,227,488	\$ 1,274,335
Interest on the total OPEB liability	1,308,423	1,391,794	1,298,734
Differences between expected and actual experience	-	(2,333,030)	-
Changes of assumptions	8,431,861	1,956,937	(1,655,481)
Benefit payments, including refunds of employee contributions	(1,223,092)	(1,199,486)	(1,169,676)
<b>Net change in total OPEB liability</b>	<u>10,132,620</u>	<u>1,043,703</u>	<u>(252,088)</u>
<b>Total OPEB liability - beginning</b>	<u>36,379,615</u>	<u>35,335,912</u>	<u>35,588,000</u>
<b>Total OPEB liability - ending</b>	<u>\$ 46,512,235</u>	<u>\$ 36,379,615</u>	<u>\$ 35,335,912</u>
Covered-employee payroll	\$ 10,708,319	\$ 10,199,027	\$ 9,399,404
Total OPEB liability as a percentage of covered-employee payroll	434.36%	356.70%	375.94%

**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.

Change of assumptions: For the measurement date June 30, 2020, discount rate was updated based on municipal bond rate and ACA Excise Tax removed

Changes of benefit terms: None

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# SUPPLEMENTARY INFORMATION

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**City of Pinole**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

	Capital Projects Fund	Special Revenue Funds	
	Public Works Capital Projects	Growth Impact	Gas Tax
<b>ASSETS</b>			
Cash and investments	\$ 3,152,774	\$ 141,492	\$ 334,150
Accounts receivables	131,183	-	65,892
Prepaid and supplies	-	-	-
<b>Total assets</b>	<b>\$ 3,283,957</b>	<b>\$ 141,492</b>	<b>\$ 400,042</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 250,849	\$ -	\$ 43,525
Unearned revenue	131,183	-	-
Deposits payable	-	-	-
Due to other funds	81,844	-	-
<b>Total liabilities</b>	<b>463,876</b>	<b>-</b>	<b>43,525</b>
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	324,852	141,492	356,517
Assigned	2,495,229	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>2,820,081</b>	<b>141,492</b>	<b>356,517</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,283,957</b>	<b>\$ 141,492</b>	<b>\$ 400,042</b>

Special Revenue Funds

Parkland Dedication	Measure C	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police
\$ 104,448	\$ 1,741,696	\$ 10,147	\$ 187,345	\$ 88,225	\$ 1,002,421
-	38,451	-	5,032	-	104,898
-	315,552	-	-	-	-
<u>\$ 104,448</u>	<u>\$ 2,095,699</u>	<u>\$ 10,147</u>	<u>\$ 192,377</u>	<u>\$ 88,225</u>	<u>\$ 1,107,319</u>
\$ -	\$ 66	\$ 4,294	\$ -	\$ 884	\$ 79
-	38,450	-	-	-	61,285
-	-	4,000	-	-	-
-	-	-	-	-	-
-	38,516	8,294	-	884	61,364
-	315,552	-	-	-	-
104,448	1,741,631	1,853	192,377	87,341	1,043,775
-	-	-	-	-	2,180
-	-	-	-	-	-
<u>104,448</u>	<u>2,057,183</u>	<u>1,853</u>	<u>192,377</u>	<u>87,341</u>	<u>1,045,955</u>
<u>\$ 104,448</u>	<u>\$ 2,095,699</u>	<u>\$ 10,147</u>	<u>\$ 192,377</u>	<u>\$ 88,225</u>	<u>\$ 1,107,319</u>

**City of Pinole**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds		
	Cable TV	Recreation	Building & Planning
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 74,456	\$ 26,653
Accounts receivables	35,004	7,256	600
Prepaid and supplies	-	-	-
<b>Total assets</b>	<u>\$ 35,004</u>	<u>\$ 81,712</u>	<u>\$ 27,253</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 5,169	\$ 35,902	\$ 156,901
Unearned revenue	3,700	9,358	-
Deposits payable	-	7,290	4,665
Due to other funds	29,266	-	-
<b>Total liabilities</b>	<u>38,135</u>	<u>52,550</u>	<u>161,566</u>
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	29,162	-
Unassigned	(3,131)	-	(134,313)
<b>Total fund balances</b>	<u>(3,131)</u>	<u>29,162</u>	<u>(134,313)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 35,004</u>	<u>\$ 81,712</u>	<u>\$ 27,253</u>

Special Revenue Funds				Total
Development Services	Solid Waste Fund	CASP Certification & Training	Rate Stabilization	Nonmajor Governmental Funds
\$ 86,267	\$ 1,777,332	\$ 27,482	\$ 176,407	\$ 8,931,295
-	88,270	8	8,269	484,863
-	-	-	-	315,552
<u>\$ 86,267</u>	<u>\$ 1,865,602</u>	<u>\$ 27,490</u>	<u>\$ 184,676</u>	<u>\$ 9,731,710</u>
\$ 7,582	\$ 2,240	\$ 73	\$ -	\$ 507,564
-	-	-	-	243,976
79,121	-	-	-	95,076
-	-	-	-	111,110
<u>86,703</u>	<u>2,240</u>	<u>73</u>	<u>-</u>	<u>957,726</u>
-	-	-	-	315,552
-	1,863,362	27,417	184,676	6,069,741
-	-	-	-	2,526,571
(436)	-	-	-	(137,880)
<u>(436)</u>	<u>1,863,362</u>	<u>27,417</u>	<u>184,676</u>	<u>8,773,984</u>
<u>\$ 86,267</u>	<u>\$ 1,865,602</u>	<u>\$ 27,490</u>	<u>\$ 184,676</u>	<u>\$ 9,731,710</u>

# City of Pinole

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

### Nonmajor Governmental Funds

For the year ended June 30, 2021

	Capital Projects Fund	Special Revenue Funds	
	Public Works Capital Projects	Growth Impact	Gas Tax
<b>REVENUES:</b>			
Taxes and assessments	\$ 42,525	\$ -	\$ -
Intergovernmental revenues	149,002	-	795,113
Contributions	-	-	-
Investment earnings	76	477	1,877
Rents and ground leases	11,250	-	-
Charges for services	-	32,090	-
Fines, forfeitures and penalties	-	-	-
Other revenues	16,255	-	9,074
<b>Total revenues</b>	<b>219,108</b>	<b>32,567</b>	<b>806,064</b>
<b>EXPENDITURES:</b>			
Current:			
General administration	-	-	-
Public safety	-	-	-
Public works	64,868	-	559,471
Recreation	-	-	-
Community development	-	-	-
Capital outlay	687,833	-	817,521
<b>Total expenditures</b>	<b>752,701</b>	<b>-</b>	<b>1,376,992</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(533,593)</b>	<b>32,567</b>	<b>(570,928)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of asset	-	-	-
Transfers in	500,000	-	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>500,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(33,593)</b>	<b>32,567</b>	<b>(570,928)</b>
<b>FUND BALANCES:</b>			
Beginning of year	2,853,674	108,925	927,445
End of year	<u>\$ 2,820,081</u>	<u>\$ 141,492</u>	<u>\$ 356,517</u>

Special Revenue Funds

Parkland Dedication	Measure C	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police
\$ -	\$ -	\$ 260,430	\$ -	\$ -	\$ 187,448
-	390,147	-	66,635	-	156,727
-	-	-	-	-	-
351	6,298	52	1,009	234	3,099
-	-	-	-	-	-
16,027	-	-	-	-	-
-	-	-	-	545	27,525
-	-	-	-	-	-
<u>16,378</u>	<u>396,445</u>	<u>260,482</u>	<u>67,644</u>	<u>779</u>	<u>374,799</u>
-	48,930	2,222	-	-	-
-	-	-	-	-	328,398
-	111,905	272,838	102,639	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>160,835</u>	<u>275,060</u>	<u>102,639</u>	<u>-</u>	<u>328,398</u>
<u>16,378</u>	<u>235,610</u>	<u>(14,578)</u>	<u>(34,995)</u>	<u>779</u>	<u>46,401</u>
-	-	-	-	-	-
-	-	-	-	-	29,428
-	-	-	(107,805)	-	-
-	-	-	(107,805)	-	29,428
16,378	235,610	(14,578)	(142,800)	779	75,829
88,070	1,821,573	16,431	335,177	86,562	970,126
<u>\$ 104,448</u>	<u>\$ 2,057,183</u>	<u>\$ 1,853</u>	<u>\$ 192,377</u>	<u>\$ 87,341</u>	<u>\$ 1,045,955</u>

# City of Pinole

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

### Nonmajor Governmental Funds

For the year ended June 30, 2021

	Special Revenue Funds		
	Cable TV	Recreation	Building & Planning
<b>REVENUES:</b>			
Taxes and assessments	\$ 25,359	\$ -	\$ -
Intergovernmental revenues	-	-	-
Contributions	-	14,274	-
Investment earnings	-	477	(423)
Rents and ground leases	-	(945)	-
Charges for services	223,342	141,657	503,324
Fines, forfeitures and penalties	-	-	-
Other revenues	342	6,938	-
<b>Total revenues</b>	<b>249,043</b>	<b>162,401</b>	<b>502,901</b>
<b>EXPENDITURES:</b>			
Current:			
General administration	391,792	-	-
Public safety	-	-	-
Public works	-	-	-
Recreation	-	820,918	-
Community development	-	-	987,604
Capital outlay	-	2,519	-
<b>Total expenditures</b>	<b>391,792</b>	<b>823,437</b>	<b>987,604</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(142,749)</b>	<b>(661,036)</b>	<b>(484,703)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of asset	-	-	-
Transfers in	174,853	632,055	192,000
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>174,853</b>	<b>632,055</b>	<b>192,000</b>
<b>Net change in fund balances</b>	<b>32,104</b>	<b>(28,981)</b>	<b>(292,703)</b>
<b>FUND BALANCES:</b>			
Beginning of year	(35,235)	58,143	158,390
End of year	<u>\$ (3,131)</u>	<u>\$ 29,162</u>	<u>\$ (134,313)</u>

Special Revenue Funds				Total
Development Services	Solid Waste Fund	CASP Certification & Training	Rate Stabilization	Nonmajor Funds Totals
\$ -	\$ -	\$ -	\$ -	\$ 515,762
-	-	-	-	1,557,624
-	-	-	-	14,274
229	5,804	-	-	19,560
-	-	-	-	10,305
-	-	6,668	-	923,108
-	-	-	-	28,070
-	347,367	-	31,171	411,147
229	353,171	6,668	31,171	3,479,850
-	-	-	-	442,944
-	-	-	-	328,398
-	2,240	-	-	1,113,961
-	-	-	-	820,918
-	-	-	-	987,604
-	-	-	-	1,507,873
-	2,240	-	-	5,201,698
229	350,931	6,668	31,171	(1,721,848)
-	-	-	-	-
-	-	-	153,505	1,681,841
-	(45,700)	-	-	(153,505)
-	(45,700)	-	153,505	1,528,336
229	305,231	6,668	184,676	(193,512)
(665)	1,558,131	20,749	-	8,967,496
\$ (436)	\$ 1,863,362	\$ 27,417	\$ 184,676	\$ 8,773,984

# 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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 42,780	\$ 42,780	\$ 42,525	\$ (255)
Intergovernmental revenues	-	-	149,002	149,002
Investment earnings	-	-	76	76
Rents and ground leases	15,000	15,000	11,250	(3,750)
Other revenues	-	14,584	16,255	1,671
<b>Total revenues</b>	<b>57,780</b>	<b>72,364</b>	<b>219,108</b>	<b>146,744</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	51,927	62,746	64,868	(2,122)
Capital outlay	2,840,581	2,244,457	687,833	1,556,624
<b>Total expenditures</b>	<b>2,892,508</b>	<b>2,307,203</b>	<b>752,701</b>	<b>1,554,502</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,834,728)</b>	<b>(2,234,839)</b>	<b>(533,593)</b>	<b>1,701,246</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	500,000	500,000	500,000	-
<b>Total other financing sources (uses)</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (2,334,728)</b>	<b>\$ (1,734,839)</b>	<b>(33,593)</b>	<b>\$ 1,701,246</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,853,674	
End of year			<u>\$ 2,820,081</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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 477	\$ 477
Charges for services	-	-	32,090	32,090
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>32,567</b>	<b>32,567</b>
<b>EXPENDITURES:</b>				
Capital outlay	8,000	8,000	-	8,000
<b>Total expenditures</b>	<b>8,000</b>	<b>8,000</b>	<b>-</b>	<b>8,000</b>
<b>Net change in fund balances</b>	<b>\$ (8,000)</b>	<b>\$ (8,000)</b>	<b>32,567</b>	<b>\$ 40,567</b>
<b>FUND BALANCES:</b>				
Beginning of year			108,925	
End of year			\$ 141,492	

# 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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 861,465	\$ 861,465	\$ 795,113	\$ (66,352)
Investment earnings	5,000	5,000	1,877	(3,123)
Other revenues	-	7,636	9,074	1,438
<b>Total revenues</b>	<b>866,465</b>	<b>874,101</b>	<b>806,064</b>	<b>(68,037)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	459,175	466,811	559,471	(92,660)
Capital outlay	1,109,395	1,141,245	817,521	323,724
<b>Total expenditures</b>	<b>1,568,570</b>	<b>1,608,056</b>	<b>1,376,992</b>	<b>231,064</b>
<b>Net change in fund balances</b>	<b>\$ (702,105)</b>	<b>\$ (733,955)</b>	<b>(570,928)</b>	<b>\$ 163,027</b>
<b>FUND BALANCES:</b>				
Beginning of year			927,445	
End of year			\$ 356,517	

# 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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 351	\$ 351
Charges for services	-	-	16,027	16,027
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>16,378</b>	<b>16,378</b>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>16,378</b>	<b>\$ 16,378</b>
<b>FUND BALANCES:</b>				
Beginning of year			88,070	
End of year			\$ 104,448	

# 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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 380,000	\$ 390,147	\$ 390,147	\$ -
Investment earnings	8,000	8,000	6,298	(1,702)
<b>Total revenues</b>	<b>388,000</b>	<b>398,147</b>	<b>396,445</b>	<b>(1,702)</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	48,930	48,930	48,930	-
Public works	113,668	113,668	111,905	1,763
Capital outlay	618,000	618,000	-	618,000
<b>Total expenditures</b>	<b>780,598</b>	<b>780,598</b>	<b>160,835</b>	<b>619,763</b>
<b>Net change in fund balances</b>	<b>\$ (392,598)</b>	<b>\$ (382,451)</b>	<b>235,610</b>	<b>\$ 618,061</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,821,573	
End of year			<u>\$ 2,057,183</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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 266,470	\$ 324,505	\$ 260,430	\$ (64,075)
Investment earnings	150	150	52	(98)
<b>Total revenues</b>	<u>266,620</u>	<u>324,655</u>	<u>260,482</u>	<u>(64,173)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>377,717</u>	<u>377,717</u>	<u>272,838</u>	<u>104,879</u>
<b>Total expenditures</b>	<u>377,717</u>	<u>377,717</u>	<u>275,060</u>	<u>102,657</u>
<b>Net change in fund balances</b>	<u>\$ (111,097)</u>	<u>\$ (53,062)</u>	<u>(14,578)</u>	<u>\$ 38,484</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>16,431</u>	
End of year			<u>\$ 1,853</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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 60,060	\$ 60,060	\$ 66,635	\$ 6,575
Investment earnings	6,000	6,000	1,009	(4,991)
<b>Total revenues</b>	<u>66,060</u>	<u>66,060</u>	<u>67,644</u>	<u>1,584</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	126,417	126,417	102,639	23,778
<b>Total expenditures</b>	<u>126,417</u>	<u>126,417</u>	<u>102,639</u>	<u>23,778</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(60,357)</u>	<u>(60,357)</u>	<u>(34,995)</u>	<u>25,362</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(107,805)	(107,805)	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>(107,805)</u>	<u>(107,805)</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ (60,357)</u>	<u>\$ (168,162)</u>	<u>(142,800)</u>	<u>\$ 25,362</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>335,177</u>	
End of year			<u>\$ 192,377</u>	

# City of Pinole

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

### Adjudicated Asset Seizure Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 234	\$ 234
Fines, forfeitures and penalties	-	-	545	545
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>779</b>	<b>779</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>779</b>	<b>\$ 779</b>
<b>FUND BALANCES:</b>				
Beginning of year			86,562	
End of year			<u>\$ 87,341</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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 170,266	\$ 170,266	\$ 187,448	\$ 17,182
Intergovernmental revenues	250,000	156,727	156,727	-
Investment earnings	5,600	5,600	3,099	(2,501)
Fines, forfeitures and penalties	45,000	45,000	27,525	(17,475)
<b>Total revenues</b>	<b>470,866</b>	<b>377,593</b>	<b>374,799</b>	<b>(2,794)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	451,933	451,933	328,398	123,535
Capital outlay	7,500	7,500	-	7,500
<b>Total expenditures</b>	<b>459,433</b>	<b>459,433</b>	<b>328,398</b>	<b>131,035</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>11,433</b>	<b>(81,840)</b>	<b>46,401</b>	<b>128,241</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	26,807	29,428	2,621
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>26,807</b>	<b>29,428</b>	<b>2,621</b>
<b>Net change in fund balances</b>	<b>\$ 11,433</b>	<b>\$ (55,033)</b>	<b>75,829</b>	<b>\$ 130,862</b>
<b>FUND BALANCES:</b>				
Beginning of year			970,126	
End of year			<u>\$ 1,045,955</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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 35,000	\$ 26,486	\$ 25,359	\$ (1,127)
Contributions	3,600	3,600	-	(3,600)
Charges for services	313,695	134,010	223,342	89,332
Other revenues	-	-	342	342
<b>Total revenues</b>	<b>352,295</b>	<b>164,096</b>	<b>249,043</b>	<b>84,947</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	477,409	423,906	391,792	32,114
Capital outlay	61,900	21,700	-	21,700
<b>Total expenditures</b>	<b>539,309</b>	<b>445,606</b>	<b>391,792</b>	<b>53,814</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(187,014)</b>	<b>(281,510)</b>	<b>(142,749)</b>	<b>138,761</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	160,124	160,124	174,853	14,729
<b>Total other financing sources (uses)</b>	<b>160,124</b>	<b>160,124</b>	<b>174,853</b>	<b>14,729</b>
<b>Net change in fund balances</b>	<b>\$ (26,890)</b>	<b>\$ (121,386)</b>	<b>32,104</b>	<b>\$ 153,490</b>
<b>FUND BALANCES:</b>				
Beginning of year			(35,235)	
End of year			<u>\$ (3,131)</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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Contributions	\$ 13,250	\$ 18,050	\$ 14,274	\$ (3,776)
Investment earnings	-	-	477	477
Rents and ground leases	86,600	250	(945)	(1,195)
Charges for services	532,407	81,407	141,657	60,250
Other revenues	2,732	500	6,938	6,438
<b>Total revenues</b>	<b>634,989</b>	<b>100,207</b>	<b>162,401</b>	<b>62,194</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation	1,298,524	820,562	820,918	(356)
Capital outlay	-	2,874	2,519	355
<b>Total expenditures</b>	<b>1,298,524</b>	<b>823,436</b>	<b>823,437</b>	<b>(1)</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(663,535)</b>	<b>(723,229)</b>	<b>(661,036)</b>	<b>62,193</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	651,831	651,831	632,055	(19,776)
<b>Total other financing sources (uses)</b>	<b>651,831</b>	<b>651,831</b>	<b>632,055</b>	<b>(19,776)</b>
<b>Net change in fund balances</b>	<b>\$ (11,704)</b>	<b>\$ (71,398)</b>	<b>(28,981)</b>	<b>\$ 42,417</b>
<b>FUND BALANCES:</b>				
Beginning of year			58,143	
End of year			<u>\$ 29,162</u>	

# City of Pinole

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

### Building and Planning Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 160,000	\$ 160,000	\$ -	\$ (160,000)
Investment earnings	7,000	7,000	(423)	(7,423)
Charges for services	647,700	647,700	503,324	(144,376)
Other revenues	6,000	6,000	-	(6,000)
<b>Total revenues</b>	<b>820,700</b>	<b>820,700</b>	<b>502,901</b>	<b>(317,799)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,500,338	1,500,338	987,604	512,734
Capital outlay	3,000	3,000	-	3,000
<b>Total expenditures</b>	<b>1,503,338</b>	<b>1,503,338</b>	<b>987,604</b>	<b>515,734</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(682,638)</b>	<b>(682,638)</b>	<b>(484,703)</b>	<b>197,935</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	192,000	192,000	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>192,000</b>	<b>192,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (682,638)</b>	<b>\$ (490,638)</b>	<b>(292,703)</b>	<b>\$ 197,935</b>
<b>FUND BALANCES:</b>				
Beginning of year			158,390	
End of year			<u>\$ (134,313)</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, 2021**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ 229	\$ 229
<b>Total revenues</b>	-	-	229	229
<b>Net change in fund balances</b>	\$ -	\$ -	229	\$ 229
<b>FUND BALANCES:</b>				
Beginning of year			(665)	
End of year			\$ (436)	

# 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, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ 8,000	\$ 8,000	\$ 5,804	\$ (2,196)
Other revenues	360,000	360,000	347,367	(12,633)
<b>Total revenues</b>	<b>368,000</b>	<b>368,000</b>	<b>353,171</b>	<b>(14,829)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	2,240	2,240
Capital outlay	20,000	237,800	-	237,800
<b>Total expenditures</b>	<b>20,000</b>	<b>237,800</b>	<b>2,240</b>	<b>235,560</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>348,000</b>	<b>130,200</b>	<b>350,931</b>	<b>220,731</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	(45,700)	(45,700)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(45,700)</b>	<b>(45,700)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 348,000</b>	<b>\$ 84,500</b>	<b>305,231</b>	<b>\$ 220,731</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,558,131	
End of year			<u>\$ 1,863,362</u>	

# City of Pinole

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

### CASP Certification & Training Special Revenue Fund

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 6,668	\$ 6,668
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>6,668</u>	<u>6,668</u>
<b>EXPENDITURES:</b>				
Current:				
General administration	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>6,668</u>	<u>\$ 6,668</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>20,749</u>	
End of year			<u>\$ 27,417</u>	

# City of Pinole

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

### Rate Stabilization Fund

For the year ended June 30, 2021

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Other revenues	\$ -	\$ 31,171	\$ 31,171	\$ -
<b>Total revenues</b>	-	31,171	31,171	-
<b>EXPENDITURES:</b>				
Current:				
General administration	-	-	-	-
<b>Total expenditures</b>	-	-	-	-
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	-	31,171	31,171	-
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	153,505	153,505	-
<b>Total other financing sources (uses)</b>	-	153,505	153,505	-
<b>Net change in fund balances</b>	\$ -	\$ 184,676	184,676	\$ -
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ 184,676	

**City of Pinole**  
**Section 115 Pension Fund Schedule**  
**(General Fund)**  
**June 30, 2021**

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	Section 115 * Pension Fund
<b>ASSETS</b>	
Restricted cash - Pension	\$ 19,442,495
<b>Total assets</b>	<u>\$ 20,110,333</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Due to general fund	\$ 667,838
<b>Total liabilities</b>	<u>667,838</u>
<b>FUND BALANCES</b>	
Restricted	19,442,494
<b>Total fund balances</b>	<u>\$ 19,442,494</u>

\* The City's Section 115 Pension Fund is included as part of the General Fund and is being separately reported above on stand-alone basis for informational purposes only. Interfund activities between the Section 115 Pension Fund and other internal-use funds included in the General Fund have been eliminated for reporting in the Basic Financial Statements.

**City of Pinole**  
**Section 115 Pension Fund Schedule**  
**(General Fund)**  
**For the year ended June 30, 2021**

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	Section 115 * Pension Fund
<b>REVENUES:</b>	
Investment earnings	\$ 2,792,381
<b>Total revenues</b>	<u>2,792,381</u>
<b>EXPENDITURES:</b>	
Current:	
General government	86,587
<b>Total expenditures</b>	<u>86,587</u>
<b>REVENUES OVER (UNDER)</b>	
<b>EXPENDITURES</b>	2,705,794
<b>OTHER FINANCING SOURCES (USES):</b>	
Transfers out	(1,352,111)
<b>Total other financing sources (uses)</b>	<u>(1,352,111)</u>
<b>Net change in fund balances</b>	1,353,683
<b>FUND BALANCES:</b>	
Beginning of year	18,088,811
End of year	<u>\$ 19,442,494</u>

\* The City's Section 115 Pension Fund is included as part of the General Fund and is being separately reported above on stand-alone basis for informational purposes only. Interfund activities between the Section 115 Pension Fund and other internal-use funds included in the General Fund have been eliminated for reporting in the Basic Financial Statements.

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# **STATISTICAL SECTION (UNAUDITED)**

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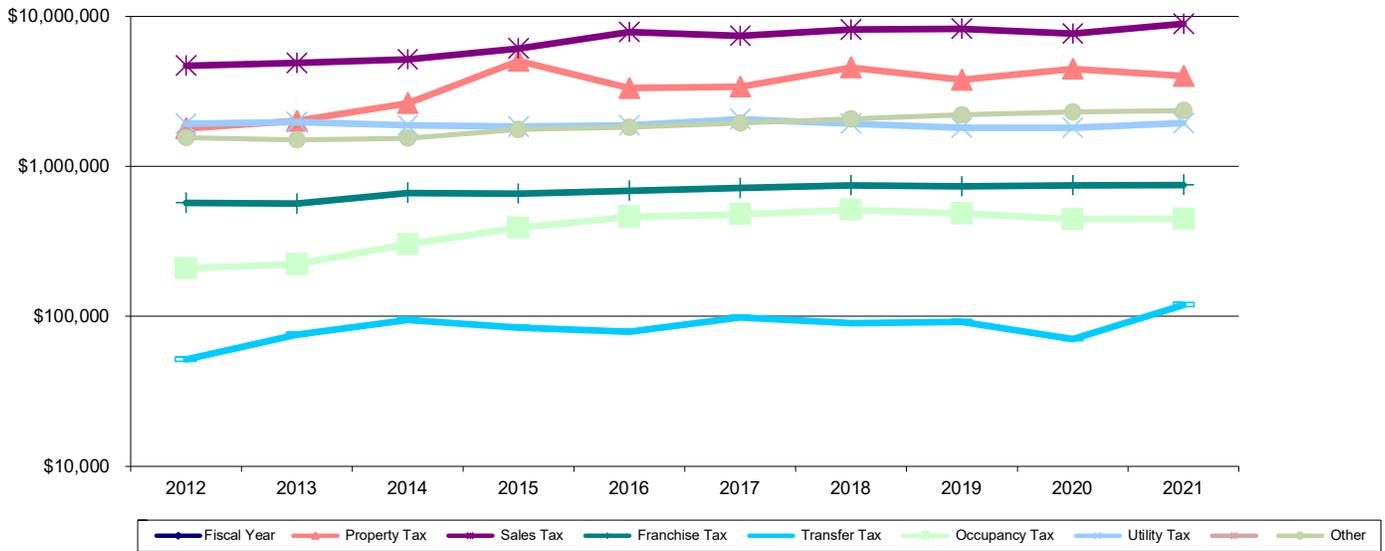
**CITY OF PINOLE**  
NET POSITION BY COMPONENT, Last Ten Fiscal Years

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental activities</b>										
Net investment in capital assets	\$ 35,021,089	\$ 35,773,981	\$ 36,296,765	\$ 34,962,909	\$ 33,764,294	\$ 32,700,833	\$ 31,758,414	\$ 29,977,958	\$ 30,774,116	\$ 31,008,808
Restricted	11,286,730	11,530,930	2,591,393	2,591,393	2,591,393	17,755,625	17,938,328	31,048,458	32,045,457	33,528,931
Unrestricted	14,727,078	11,842,896	(2,498,114)	(21,819,095)	(17,014,950)	(31,148,654)	(34,044,994)	(41,104,957)	(41,984,038)	(44,487,476)
Total governmental activities net position	\$ 61,034,897	\$ 59,147,807	\$ 36,390,044	\$ 15,735,207	\$ 19,340,737	\$ 19,307,804	\$ 15,651,748	\$ 19,921,459	\$ 20,835,535	\$ 20,050,263
<b>Business-type activities</b>										
Net investment in capital assets	\$ 9,444,118	\$ 9,051,860	\$ 9,921,073	\$ 11,223,296	\$ 13,869,394	\$ 14,364,860	\$ 13,381,134	\$ 13,088,528	\$ 12,452,490	\$ 12,783,593
Unrestricted	3,395,880	4,546,425	5,205,241	4,984,154	4,584,135	5,649,110	6,241,700	7,883,837	10,243,444	10,795,126
Total business-type activities net position	\$ 12,839,998	\$ 13,598,285	\$ 15,126,314	\$ 16,207,450	\$ 18,453,529	\$ 20,013,970	\$ 19,622,834	\$ 20,972,365	\$ 22,695,934	\$ 23,578,719
<b>Primary government</b>										
Net investment in capital assets	\$ 44,465,207	\$ 44,825,841	\$ 46,217,838	\$ 46,186,205	\$ 47,633,688	\$ 47,065,693	\$ 45,139,548	\$ 43,066,486	\$ 43,226,606	\$ 43,792,401
Restricted	11,286,730	11,530,930	2,591,393	2,591,393	2,591,393	17,755,625	17,938,328	31,048,458	32,045,457	33,528,931
Unrestricted	18,122,958	16,389,321	2,707,127	(16,834,941)	(12,430,815)	(25,499,544)	(27,803,294)	(33,221,120)	(31,740,594)	(33,692,350)
Total primary government net position	\$ 73,874,895	\$ 72,746,092	\$ 51,516,358	\$ 31,942,657	\$ 37,794,266	\$ 39,321,774	\$ 35,274,582	\$ 40,893,824	\$ 43,531,469	\$ 43,628,982

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 6,644,902	\$ 5,996,378	\$ 4,718,160	\$ 4,373,166	\$ 4,368,671	\$ 5,952,688	\$ 3,482,534	\$ 4,931,705	\$ 4,596,909	\$ 4,957,477
Public safety	9,153,942	8,855,816	9,281,461	9,321,934	10,086,963	10,326,947	12,202,527	12,060,171	14,937,597	15,895,381
Public services	2,472,400	1,488,713	2,685,493	2,673,746	3,878,498	2,568,265	3,217,759	3,416,574	3,488,882	4,541,157
Recreation	1,527,911	1,467,915	1,074,585	1,150,267	1,067,952	1,151,760	1,145,227	1,069,375	1,146,587	949,734
Community development	3,218,191	654,535	779,147	833,061	1,184,385	1,065,848	1,642,031	2,338,177	1,365,580	1,275,333
Interest and fiscal changes	1,345,952	149,097	280,173	290,860	305,569	338,507	331,464	287,729	304,844	331,218
Total governmental activity expenses	\$ 24,363,298	\$ 18,612,454	\$ 18,819,019	\$ 18,643,034	\$ 20,892,038	\$ 21,404,015	\$ 22,021,542	\$ 24,103,731	\$ 25,840,399	\$ 27,950,300
Business-type activities:										
Wastewater utility	4,998,178	5,427,396	4,859,118	4,883,256	5,316,022	4,597,454	5,193,994	4,930,113	5,704,747	6,688,530
Total business-type activities expenses	4,998,178	5,427,396	4,859,118	4,883,256	5,316,022	4,597,454	5,193,994	4,930,113	5,704,747	6,688,530
Total primary government expenses	\$ 29,361,476	\$ 24,039,850	\$ 23,678,137	\$ 23,526,290	\$ 26,208,060	\$ 26,001,469	\$ 27,215,536	\$ 29,033,844	\$ 31,545,146	\$ 34,638,830
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 1,068,236	\$ 286,722	\$ 502,094	\$ 590,359	\$ 236,512	\$ 354,357	\$ 648,409	\$ 643,524	\$ 678,065	\$ 686,519
Public safety	102,560	146,658	586,131	534,095	461,330	640,785	1,435,741	1,186,008	1,388,295	1,440,572
Public services	705,701	461,578	946,387	573,320	545,273	310,073	153,810	169,758	66,676	74,897
Recreation	1,163,599	927,758	1,195,728	998,792	871,497	783,783	846,822	770,397	501,860	172,486
Community development	534,533	1,083,517	527,441	666,863	244,449	162,634	1,153,907	2,368,209	736,346	503,324
Operating grants and contributions	2,127,097	948,062	1,026,339	1,203,058	1,464,456	227,184	11,483,081	2,136,212	1,790,729	1,795,055
Capital grants and contributions	96,886	755,433	640,884	1,068,087	1,094,371	1,262,813	-	-	-	-
Total governmental program revenues	5,798,612	4,609,728	5,425,004	5,634,574	4,917,888	3,741,629	15,721,770	7,274,108	5,161,971	4,672,853
Business-type activities:										
Charges for services:										
Wastewater utility	5,633,904	5,961,605	6,473,147	6,912,213	7,541,964	6,315,563	6,524,537	7,211,834	7,093,734	7,527,056
Capital grants and contributions	218,193									
Total business-type program revenues	5,633,904	6,179,798	6,473,147	6,912,213	7,541,964	6,315,563	6,524,537	7,211,834	7,093,734	7,527,056
Total primary government program revenues	\$ 11,432,516	\$ 10,789,526	\$ 11,898,151	\$ 12,546,787	\$ 12,459,852	\$ 10,057,192	\$ 22,246,307	\$ 14,485,942	\$ 12,255,705	\$ 12,199,909
<b>Net (Expense)/Revenue</b>										
Net (Expense)/Revenue Governmental	(18,564,686)	(14,002,726)	(13,394,015)	(13,008,460)	(15,974,150)	(17,662,386)	(6,299,772)	(16,829,623)	(20,678,428)	(23,277,447)
Net (Expense)/Revenue Business-type	635,726	752,402	1,614,029	2,028,957	2,225,942	1,718,109	1,330,543	2,281,721	1,388,987	838,526
Total primary government net expense	(17,928,960)	(13,250,324)	(11,779,986)	(10,979,503)	(13,748,208)	(15,944,277)	(4,969,229)	(14,547,902)	(19,289,441)	(22,438,921)
<b>Change in Net Position</b>										
Governmental activities	15,894,132	(1,887,090)	(22,757,764)	(4,193,825)	(2,388,176)	(32,933)	12,710,019	2,874,178	(50,793)	(785,272)
Business-type activities	688,725	758,287	1,602,798	(2,037,223)	(2,246,079)	1,721,679	1,389,501	2,411,362	1,673,561	892,785
Total primary government	16,582,857	(1,128,803)	(21,154,966)	(6,231,048)	(4,634,255)	1,688,746	14,099,520	5,285,540	1,622,768	97,513

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



Fiscal Year	(b)		Franchise Tax	Transfer Tax	Occupancy Tax	(a)	(c)	Total
	Property Tax	Sales Tax				Utility Tax	Other	
2012	1,792,274	4,688,836	572,499	51,630	208,498	1,930,758	1,554,431	10,798,926
2013	2,006,791	4,896,120	565,095	75,542	223,413	1,975,666	1,503,333	11,245,960
2014	2,637,749	5,164,841	667,030	94,992	302,329	1,880,224	1,542,483	12,289,648
2015	5,048,149	6,120,157	656,564	84,136	391,165	1,843,618	1,762,254	15,906,044
2016	3,333,712	7,859,195	687,737	79,181	459,393	1,876,318	1,826,513	16,122,050
2017	3,392,870	7,411,905	717,013	98,593	478,940	2,066,623	1,942,511	16,108,455
2018	4,555,300	8,162,816	747,625	90,328	513,368	1,926,796	2,068,842	18,065,075
2019	3,775,074	8,281,048	735,311	91,954	485,499	1,812,844	2,205,899	17,387,628
2020	4,473,828	7,689,917	750,002	70,764	444,453	1,809,832	2,304,932	17,543,727
2021	4,001,411	8,927,361	751,598	119,254	446,105	1,939,726	2,354,617	18,540,071

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

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

(c) Includes Business License Taxes

Source: City of Pinole Finance

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>General Fund</b>										
Nonspendable	\$ 11,299,227	\$ 8,950,035	\$ 11,157	\$ -	\$ 7,275	\$ 6,712	\$ 12,669	\$ 13,178	\$ 463,067	\$ 18,782
Restricted	-	-	-	-	-	-	133,586	17,346,090	18,255,487	19,623,678
Assigned	1,587,255	2,209,430	2,899,585	1,030,000	-	-	2,531,677	2,531,677	7,672,065	7,836,178
Committed	-	12,599,292	-	-	-	-	-	-	579,257	-
Unassigned	20,730,658	(3,464,498)	(2,914,406)	4,261,995	9,062,287	11,700,289	23,249,204	14,909,608	10,828,937	12,488,562
<b>Total General Fund</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>\$ 34,800,553</b>	<b>\$ 37,798,813</b>	<b>\$ 39,967,200</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ 7,023,664	\$ 2,591,393	\$ -	\$ 2,591,393	\$ 6,882,968	\$ -	\$ -	\$ 315,552	\$ 315,552
Restricted	3,060,465	6,787,458	15,103,453	14,074,122	11,665,834	10,872,657	18,250,952	14,306,945	13,756,009	13,905,253
Assigned	-	1,340,327	783,083	3,661,477	-	-	2,366,429	2,800,614	2,751,350	2,526,571
Committed	-	-	-	-	-	2,304,515	-	-	-	-
Unassigned reported in:										
Special revenue funds	-	-	-	(611,270)	4,248,108	(371,162)	(43,673)	(29,052)	(35,900)	(137,880)
Capital project funds	-	933,006	(24,842)	(265,778)	-	-	-	-	-	-
Debt service funds	-	-	(3,018,401)	-	-	-	-	-	-	-
<b>Total all other governmental funds</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>	<b>\$ 17,078,507</b>	<b>\$ 16,787,011</b>	<b>\$ 16,609,496</b>

[1]

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)*

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Taxes	\$ 13,474,038	\$ 10,373,826	\$ 11,456,712	\$ 15,111,311	\$ 15,111,374	\$ 15,453,213	\$ 16,599,387	\$ 15,853,006	\$ 15,874,731	\$ 19,055,833
Intergovernmental	3,427,388	2,745,954	3,426,928	3,313,973	3,462,621	877,090	1,460,655	2,188,347	1,860,599	1,856,343
Loan repayments	109,343	48,464	108,021	45,666	85,849	145,457	15,023	1,656,645	544,892	107,912
Contributions	96,886	174,153	94,032	51,313	65,317	146,112	30,595	22,746	24,889	14,274
Investment earnings	22,214	113,723	595,808	311,168	188,790	16,188	88,092	1,529,630	1,790,740	2,888,309
Rents and ground leases	821,723	301,537	273,435	264,301	224,952	300,441	303,618	274,153	185,594	131,335
Charges for service	2,694,734	2,543,872	2,645,656	2,929,952	3,892,535	3,997,423	5,307,234	4,616,561	4,726,675	2,444,899
Fines, forfeitures and penalties	58,172	50,170	60,734	58,863	41,564	48,442	75,670	89,911	68,576	41,236
Gain (loss) on sale of property	(1,192,929)	-	-	-	-	-	-	-	-	-
Other revenues	451,942	405,411	137,713	778,737	365,857	532,173	834,086	746,909	709,677	541,679
<b>Total revenues</b>	<b>19,963,511</b>	<b>16,757,110</b>	<b>18,799,039</b>	<b>22,865,284</b>	<b>23,438,859</b>	<b>21,516,539</b>	<b>24,714,360</b>	<b>26,977,908</b>	<b>25,786,373</b>	<b>27,081,820</b>
<b>Expenditures</b>										
General administration	3,689,592	2,903,879	2,506,878	2,411,271	3,007,506	3,035,822	3,257,220	3,802,406	4,029,981	4,319,504
Public safety	9,051,515	8,807,959	9,206,393	9,165,922	9,635,264	10,067,977	10,535,903	11,801,897	12,975,773	13,889,090
Public services	904,149	696,343	1,822,928	1,628,204	2,460,827	1,712,315	1,485,090	1,648,377	1,680,617	1,448,818
Recreation	1,467,895	1,439,933	1,038,572	1,107,168	906,302	1,042,006	960,325	1,069,375	1,000,400	820,918
Community development	584,483	1,520,667	742,413	818,580	945,646	935,276	1,596,240	1,237,892	1,333,476	1,205,200
Debt service - Principal	3,148,966	334,287	381,144	373,007	369,177	363,151	361,674	356,117	301,709	227,389
Debt service - Interest	1,345,952	149,097	280,173	290,860	305,569	338,507	331,464	287,729	304,844	331,218
Capital outlay	1,002,678	1,209,901	1,598,513	368,007	1,289,967	200,403	1,098,789	1,419,264	1,466,664	2,932,020
<b>Total expenditures</b>	<b>21,195,230</b>	<b>17,062,066</b>	<b>17,577,014</b>	<b>16,163,019</b>	<b>18,920,258</b>	<b>17,695,457</b>	<b>19,626,705</b>	<b>21,623,057</b>	<b>23,093,464</b>	<b>25,174,157</b>
<b>Other financing sources (uses)</b>										
Bond, note and loan proceeds	296,926	-	458,000	-	-	-	-	-	-	-
Capital lease financing	-	-	-	-	-	-	-	-	-	-
Gain (loss) on sale of property	-	6,064	6,559	17,259	1,909	10,017,210	3,140	13,855	83,209	83,209
Transfers in	-	-	-	447,050	446,000	671,364	826,926	7,135,205	1,170,058	1,681,841
Transfers out	-	-	-	(447,050)	(446,000)	(671,364)	(826,926)	(7,135,205)	(1,170,058)	(1,681,841)
Transfers from enterprise fund	-	-	-	-	-	-	-	-	-	-
Extraordinary item	(5,828,864)	-	(22,634,276)	-	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>(5,531,938)</b>	<b>6,064</b>	<b>(22,169,717)</b>	<b>17,259</b>	<b>1,909</b>	<b>10,017,210</b>	<b>3,140</b>	<b>13,855</b>	<b>83,209</b>	<b>83,209</b>
<b>Net change in fund balance</b>	<b>\$ (6,763,657)</b>	<b>\$ (298,892)</b>	<b>\$ (20,947,692)</b>	<b>\$ 6,719,524</b>	<b>\$ 4,520,510</b>	<b>\$ 3,821,082</b>	<b>\$ 15,104,865</b>	<b>\$ 5,357,991</b>	<b>\$ 2,706,764</b>	<b>\$ 1,990,872</b>
<b>Debt service as a % of noncapital expenditures</b>	<b>22.3%</b>	<b>3.0%</b>	<b>4.1%</b>	<b>4.2%</b>	<b>3.8%</b>	<b>4.0%</b>	<b>3.7%</b>	<b>3.2%</b>	<b>2.8%</b>	<b>2.5%</b>

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

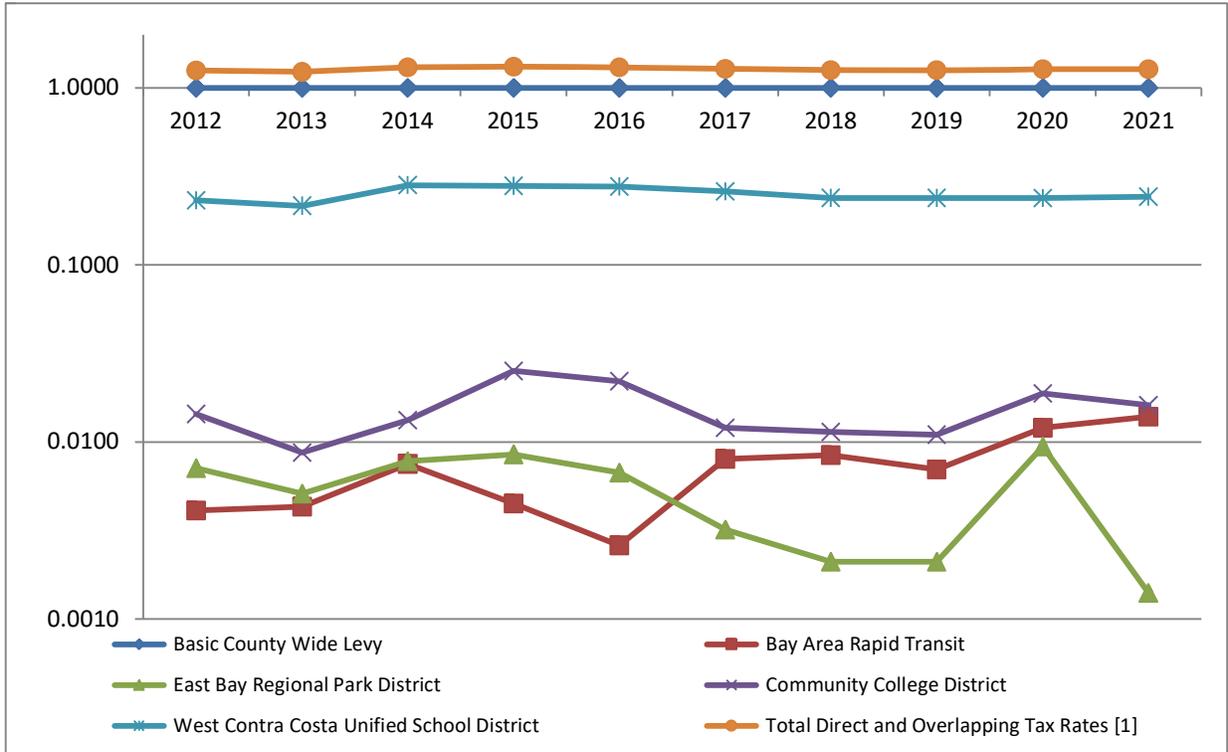
Fiscal Year	Real Property				Total Real		Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other	Secured Property	Property				
2012	1,307,568,620	344,375,136	2,504,602	32,746,389	1,687,194,747	54,954,754	1,742,149,501	2,070,370,467	0.1884%	
2013	1,260,099,385	336,541,044	2,554,690	32,245,615	1,631,440,734	51,157,272	1,682,598,006	1,999,599,470	0.1884%	
2014	1,322,470,290	326,179,820	2,605,779	53,249,619	1,704,505,508	55,296,246	1,759,801,754	2,091,348,404	0.1884%	
2015	1,496,137,773	339,520,240	2,617,605	72,710,914	1,910,986,532	63,501,588	1,974,488,120	2,346,481,682	0.1884%	
2016	1,607,057,208	373,896,531	2,669,901	71,708,925	2,055,332,565	57,423,148	2,112,755,713	2,510,798,889	0.1884%	
2017	1,712,024,334	424,465,946	2,710,613	40,142,846	2,179,343,739	52,646,667	2,231,990,406	2,652,497,398	0.1884%	
2018	1,815,946,452	437,410,538	2,764,822	52,717,127	2,308,838,939	50,669,026	2,359,507,965	2,804,039,266	0.1884%	
2019	1,930,860,892	481,974,623	21,572,321	17,844,755	2,452,252,591	54,318,451	2,506,571,042	2,978,809,026	0.1884%	
2020	2,054,262,264	510,162,994	22,004,780	17,718,345	2,604,148,383	55,881,828	2,660,030,211	3,161,179,903	0.1884%	
2021	2,156,140,583	520,189,147	22,444,868	19,105,066	2,717,879,664	58,104,679	2,775,984,343	3,298,979,793	0.1884%	

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

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

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

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



Fiscal Year	Basic County Wide Levy	Bay Area Rapid Transit	East Bay Regional Park District	Community College District	West Contra Costa Unified School District	Total Direct and Overlapping Tax Rates [1]
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
2019	1.0000	0.0070	0.0021	0.0110	0.2390	1.2591
2020	1.0000	0.0120	0.0094	0.0188	0.2379	1.2781
2021	1.0000	0.0139	0.0014	0.0161	0.2432	1.2746

Source : Contra Costa County Auditor-Controller Office

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

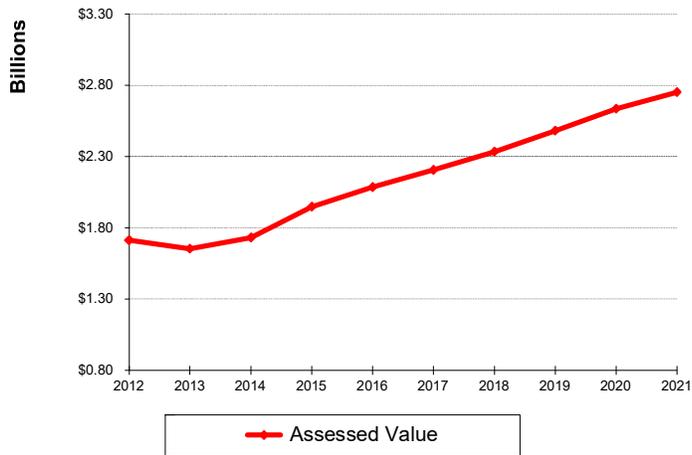
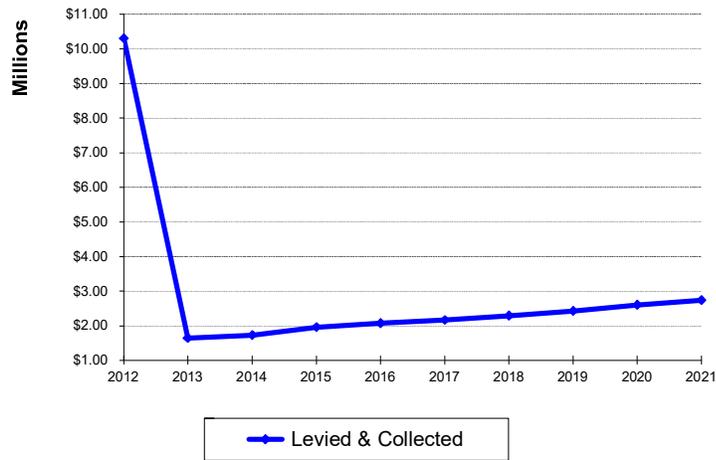
**CITY OF PINOLE**  
**PRINCIPAL PROPERTY TAXPAYERS**  
**CURRENT AND NINE YEARS PRIOR**

Taxpayer	2020-21		2011-12	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
1030 Bayview Far Road LLC	\$ 16,964,642	0.62%	\$ -	
Che Chen and Shu Fen Liu Trust	23,280,749	0.86%	-	
Gateway Pinole Vista LLC	72,481,539	2.67%	-	
Fairfield Bayside LLC	38,672,527	1.42%	-	
Kaiser Foundation Health Plan	38,029,284	1.40%	32,462,762	1.92%
NHI-Reit of Next House LLC	18,820,416	0.69%	-	
Pinole Ridge Mall LLC	20,321,325	0.75%	-	
ROIC Pinole Vista LLC	38,934,952	1.43%	-	
SCG Pinole Valley Shopping Center	42,744,462	1.57%	-	
Target Corporation	19,800,407	0.73%	-	
Alpha Beta Company	-		14,323,779	0.85%
Appian Associates	-		14,809,062	0.88%
Dayton Hudson Corporation	-		16,902,129	1.00%
Jackson Retail Venture LLC	-		15,378,673	0.91%
KW Pinole	-		17,861,368	1.06%
Peter L. Thingpen	-		16,255,388	0.96%
Pinole Vista LLC	-		27,600,000	1.64%
Public Storage Institutional Fund II	-		12,131,935	0.72%
Thomas Fitzgerald Trust	-		11,671,029	0.69%
	<u>\$ 330,050,303</u>	<u>12.14%</u>	<u>\$ 179,396,125</u>	<u>10.63%</u>
Total Net Assessed Valuation:				
Fiscal Year 2020-21	\$ 2,717,879,664			
Fiscal Year 2011-12	1,687,194,747			

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

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
2012	\$ 1,578,328	\$ 8,724,669 [1]	\$ 10,302,997	100%	\$ 859,343,223	\$ 853,177,005	\$ 1,712,520,228	0.18%	1.02%
2013	1,538,826	105,121 [2]	1,643,946	100%	824,577,292	829,059,723	1,653,637,015	0.19%	0.01%
2014	1,622,419	105,121 [2]	1,727,540	100%	868,918,982	862,888,372	1,731,807,354	0.19%	0.01%
2015	1,856,378	105,121 [2]	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]	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]	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]	2,289,328	100%	1,170,940,384	1,162,783,781	2,333,724,165	0.19%	0.01%
2019	2,321,597	104,321 [2]	2,425,918	100%	1,242,741,110	1,238,557,132	2,481,298,242	0.19%	0.01%
2020	2,493,410	104,354 [2]	2,597,764	100%	1,332,924,560	1,302,307,451	2,635,232,011	0.19%	0.01%
2021	2,635,767	104,548 [2]	2,740,315	100%	1,404,588,081	1,346,717,824	2,751,305,905	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 YEARS**

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
			[a]	[b]						
<b>Major Business Groups</b>										
Autos and Transportation	\$ 121,195	\$ 127,938	\$ 124,234	\$ 128,585	\$ 143,531	\$ 142,634	\$ 129,758	\$ 149,328	\$ 125,285	\$ 131,364
Building and Construction	177,786	194,806	205,843	228,851	235,399	256,743	252,433	248,668	240,333	287,086
Business and Industry	90,571	114,078	90,046	74,621	74,664	69,064	68,148	81,173	80,562	66,279
Food and Drugs	322,851	327,071	332,824	369,426	354,347	366,064	376,151	408,251	422,665	467,507
Fuel and Service Stations	392,505	428,169	426,327	431,453	393,583	355,390	362,450	482,117	370,686	412,186
General Consumer Goods	1,147,145	1,182,031	1,182,294	1,229,774	1,298,176	1,343,309	1,347,691	1,323,599	1,110,168	1,299,328
Restaurants and Hotels	533,913	576,500	618,795	660,763	711,659	715,966	715,885	813,411	724,290	741,032
Adjustments & Others	-	-	35,173	(50,925)	24,448	-	506	5,972	1,211	484
Point of Sale s/totals	2,785,966	2,950,593	3,015,536	3,072,548	3,235,807	3,249,170	3,253,022	3,512,519	3,075,200	3,405,266
County Pool Allocations	320,353	311,692	366,939	408,386	431,500	499,708	490,660	519,400	747,782	927,704
State Pool Allocations	1,000	1,571	2,064	2,129	2,400	2,637	1,903	1,829	1,710	2,650
Local Transaction Tax [a]	1,592,160	1,684,995	1,796,832	1,894,578	3,789,711	3,953,872	4,089,586	4,402,698	3,944,917	4,654,311
Administrative Cost - SBE	(48,012)	(49,811)	(54,105)	(58,890)	(82,268)	(95,537)	(90,183)	(87,797)	(79,691)	(62,570)
<b>Fiscal Year Totals</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>	<b>\$ 8,348,649</b>	<b>\$ 7,689,918</b>	<b>\$ 8,927,361</b>
City Direct Sales Tax Rate	1.25%	1.25%	1.25%	1.25%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%

**Notes:**

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

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

Source: HdL Coren & Cone

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

Taxing Jurisdiction / Purpose	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	[c]									
<b>Overlapping Sales Taxes</b>										
State General Fund	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
State Fiscal Recovery Fund	0.25%	0.25%	0.25%	0.25%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%
State Education Protection Account	0.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County Health & Welfare Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[a] City/County Public Safety Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
County of Contra Costa Transactions and Use Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	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>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>7.50%</b>	<b>7.50%</b>	<b>8.00%</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%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<b>Direct Sales Taxes</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.75%</b>						
[d] Total Sales Tax Levy - City of Pinole	8.75%	9.00%	9.00%	9.50%	9.50%	9.25%	9.25%	9.25%	9.25%	9.75%

**Notes:**

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

Source: California Department of Tax and Fee Administration

**CITY OF PINOLE**  
**TOP 25 SALES TAX PRODUCERS**  
**YEAR ENDED JUNE 30, 2021**

BUSINESS NAME	BUSINESS CATEGORY
APPIAN CHEVRON	SERVICE STATIONS
BEST BUY	ELECTRONICS/APPLIANCE STORES
BEVMO	CONVENIENCE STORES/LIQUOR
BURLINGTON COAT FACTORY	FAMILY APPAREL
CENTRAL CONCRETE SUPPLY	BUILDING MATERIALS
DOLAN'S PINOLE LUMBER	BUILDING MATERIALS
FOOD MAXX	GROCERY STORES
IN-N-OUT BURGER	QUICK-SERVICE RESTAURANTS
MICHAELS ARTS & CRAFTS	ART/GIFT/NOVELTY STORES
O'REILLY AUTO PARTS	AUTOMOTIVE SUPPLY STORES
PETSMART	SPECIALTY STORES
PINOLE CHEVRON	SERVICE STATIONS
PINOLE FLYERS	SERVICE STATIONS
PINOLE SHELL	SERVICE STATIONS
PINOLE VALLEY ARCO	SERVICE STATIONS
SAFEWAY	GROCERY STORES
SMART STOP	SERVICE STATIONS
STAPLES	OFFICE SUPPLIES/FURNITURE
TARGET	DISCOUNT DEPARTMENT STORES
TJ MAXX	FAMILY APPAREL
TRADER JOES	GROCERY STORES
ULTA BEAUTY	SPECIALTY STORES
VALERO CORNER STORE	SERVICE STATIONS
WALGREENS	PHARMACIES AND DRUG STORES
WESTLAKE ACE HARDWARE	BUILDING MATERIALS

**PERCENT OF FISCAL YEAR TOTAL PAID BY TOP 25 ACCOUNTS = 61.26%**

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 Bonds	Notes and Mortgages	Capital Leases	Wastewater Revenue Bonds	Clean Water State Revolving Fund					
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	15,164,357		26,360,022	2.3%	1,370	
2019	[a]	3,194,853	[a]	68,695	7,278,000	21,741,571		32,283,119	2.6%	1,656	
2020	[a]	2,961,839	[a]	-	6,968,000	25,456,833		35,386,672	2.5%	1,814	
2021	[a]	2,734,450	[a]	-	6,650,000	24,773,976		34,158,426	2.2%	1,764	

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

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

Sources:

- City 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 Redevelopment Tax Increments	Total - Net of Bonds Paid with Restricted Tax Levies	Percentage of Taxable Value of Property	Per Capita
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
2019	[b]	3,194,853	-	3,194,853	0.26% [a]	164
2020	[b]	2,961,839	-	2,961,839	0.22% [a]	152
2021	[b]	2,734,450	-	2,734,450	0.19% [a]	141

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

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

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

Sources:

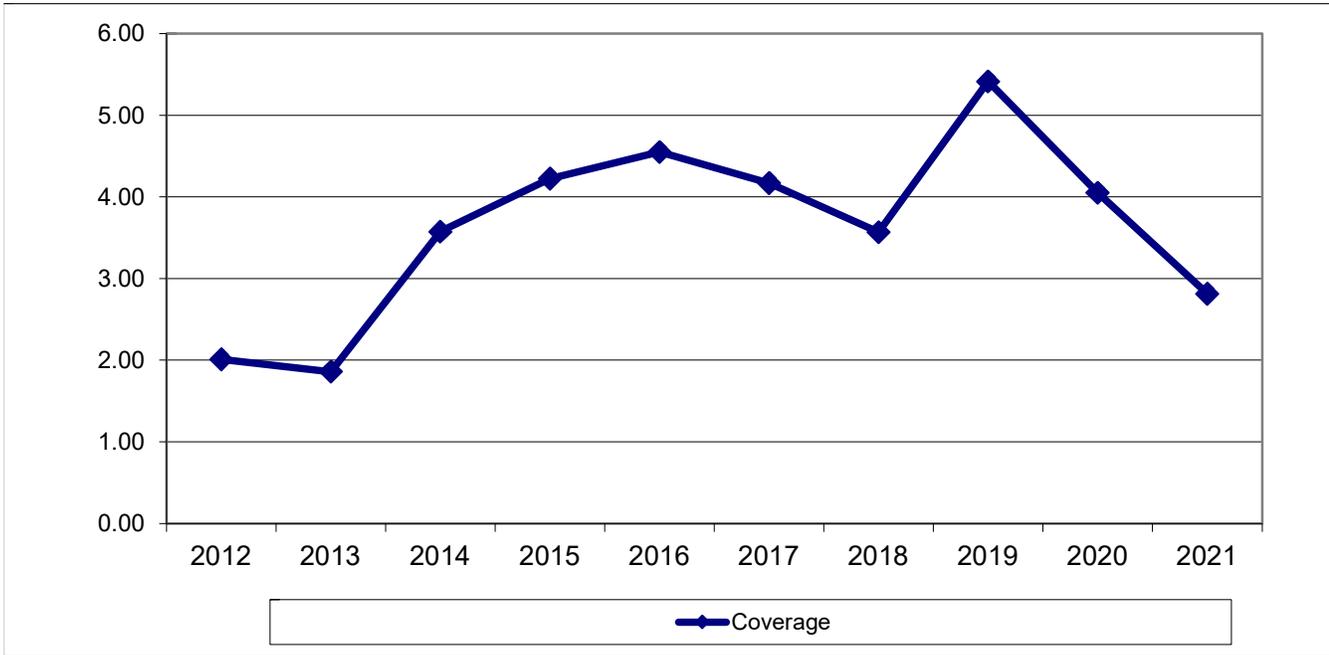
City Finance Department

Contra Costa County Office of the Auditor-Controller





**CITY OF PINOLE  
REVENUE BOND COVERAGE  
WASTEWATER REVENUE BONDS  
LAST TEN FISCAL YEARS**



Fiscal Year	Gross Revenue [a]	Operating Expenses [b]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2012	\$ 5,633,904	\$ 4,369,206	\$ 1,264,699	\$ 200,000	\$ 428,973	\$ 628,973	2.01
2013	5,961,605	4,806,424	1,155,182	200,000	420,973	620,973	1.86
2014	6,473,147	4,232,789	2,240,358	215,000	411,329	626,329	3.58
2015	6,912,213	4,253,609	2,658,605	230,000	399,648	629,648	4.22
2016	7,541,964	4,688,712	2,853,252	240,000	387,310	627,310	4.55
2017	6,315,563	4,055,187	2,260,376	385,000	157,267	542,267	4.17
2018	6,524,537	4,676,225	1,848,313	290,000	227,770	517,770	3.57
2019	7,211,834	4,413,017	2,798,818	298,000	219,097	517,097	5.41
2020	7,093,734	4,986,437	2,107,297	310,000	210,129	520,129	4.05
2021	7,527,056	6,067,198	1,459,858	318,000	200,866	518,866	2.81

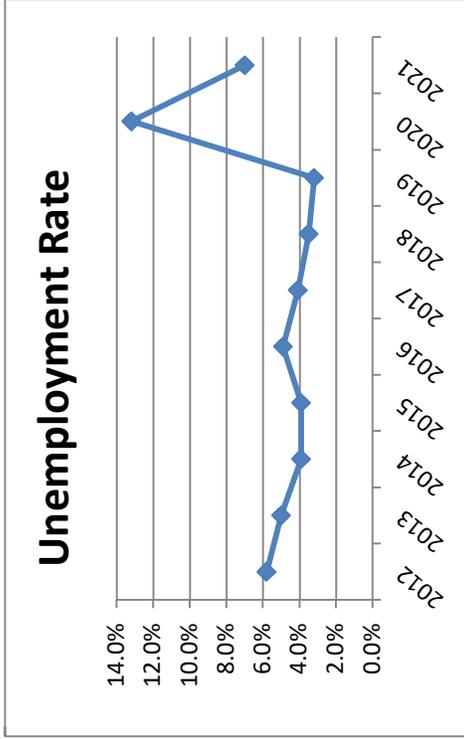
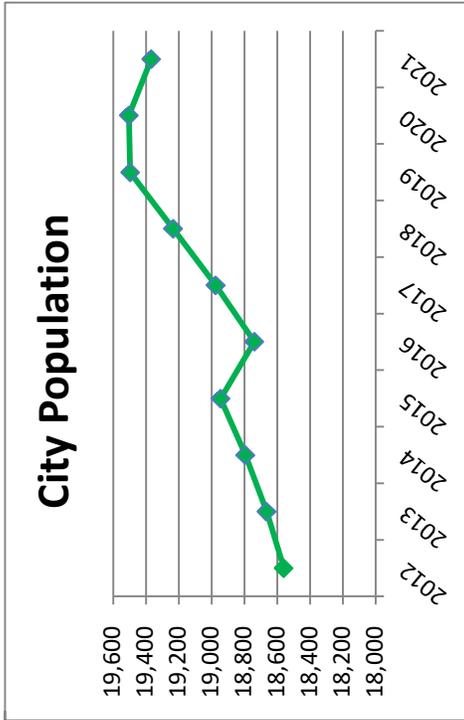
Notes:

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

[b] Includes all wastewater operating expenses less depreciation.

Source: City of Pinole Finance

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



Fiscal Year	City Population [a]	Personal Income [b]	Median Household Income [c]	Per Capita Personal Income	School Enrollment [d]	Unemployment Rate [e]
2012	18,560	1,029,430,400	93,500	55,465	3,543	5.8%
2013	18,665	1,064,110,315	93,500	57,011	3,603	5.0%
2014	18,794	1,158,424,572	93,500	61,638	3,483	3.9%
2015	18,946	1,207,845,392	93,500	63,752	3,348	3.9%
2016	18,739	1,007,052,599	93,600	53,741	3,260	4.9%
2017	18,975	1,069,696,650	97,400	56,374	3,192	4.1%
2018	19,236	1,150,235,856	104,400	59,796	3,190	3.5%
2019	19,498	1,239,234,386	111,700	63,557	3,255	3.2%
2020	19,505	1,419,281,325	119,200	72,765	3,463	13.2%
2021	19,369	1,579,580,688	125,600	81,552	3,498	7.0%

**Data Sources:**

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

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

Employer	2021		Employer	2012	
	Employee Count	Percentage of City Total		Employee Count	Percentage of City Total
West Contra Costa USD	201	2.07%	West Contra Costa USD	277	2.92%
Target	178	1.84%	Lucky's / Food Max	169	1.78%
Kaiser Health Center	142	1.46%	Target	136	1.43%
City of Pinole	124	1.28%	City of Pinole	101	1.06%
Sprouts Farmers Market	120	1.24%	Best Buy	108	1.14%
Lucky	103	1.06%	K-Mart	103	1.08%
In-N-Out Burger	101	1.04%	Safeway	78	0.82%
MV Public Transportation, Inc.	100	1.03%	Trader Joe's	71	0.75%
Trader Joe's	99	1.02%	Burlington Coat Factory	69	0.73%
Best Buy	91	0.94%	Round Table Pizza	65	0.68%
Top 10 Employer Count	1,259			1,177	
Total Workforce	9,700	12.98%		9,500	12.39%

Data Sources:

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

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

<u>Function / Program</u> [a]	[b] 2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government										
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5	6.5
Finance	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5
Planning	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Building	1.0	1.0	2.0	2.0	2.0	2.5	3.5	3.5	4.0	4.0
Other	2.0	4.0	4.0	4.0	3.0	3.0	3.0	3.0	2.8	2.8
Police										
Sworn	28.0	27.0	27.0	27.0	27.0	27.0	28.0	28.0	28.0	28.0
Non-sworn	13.0	13.0	13.0	13.0	14.5	14.5	17.5	18.0	18.5	18.5
Fire										
Sworn	15.0	15.0	15.0	15.0	15.0	14.0	14.0	14.0	14.0	14.0
Non-sworn	-	-	-	-	0.5	1.0	1.0	1.0	1.0	1.0
Public Works										
Engineering	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Maintenance	6.0	6.0	6.0	6.0	10.0	10.0	10.0	10.0	11.3	11.3
Redevelopment	3.0	-	-	-	-	-	-	-	-	-
Parks and recreation	8.0	8.0	11.0	11.0	13.0	13.0	13.0	13.0	11.5	11.5
Wastewater collection and treatment	13.0	13.0	13.0	13.0	10.5	10.5	10.5	10.5	10.5	10.5
<b>Total</b>	<b>101.5</b>	<b>99.5</b>	<b>103.5</b>	<b>103.5</b>	<b>108.0</b>	<b>108.0</b>	<b>113.0</b>	<b>114.0</b>	<b>114.4</b>	<b>115.4</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

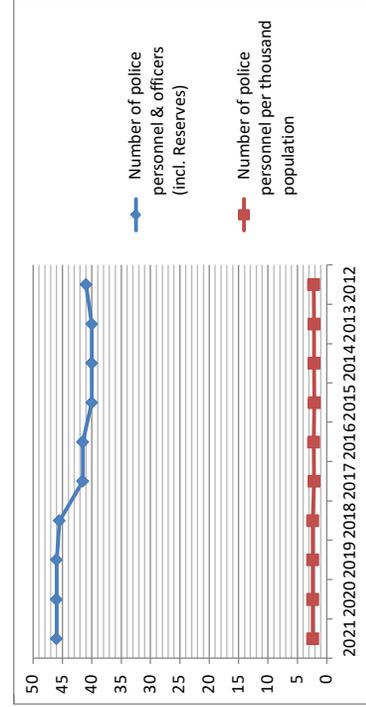
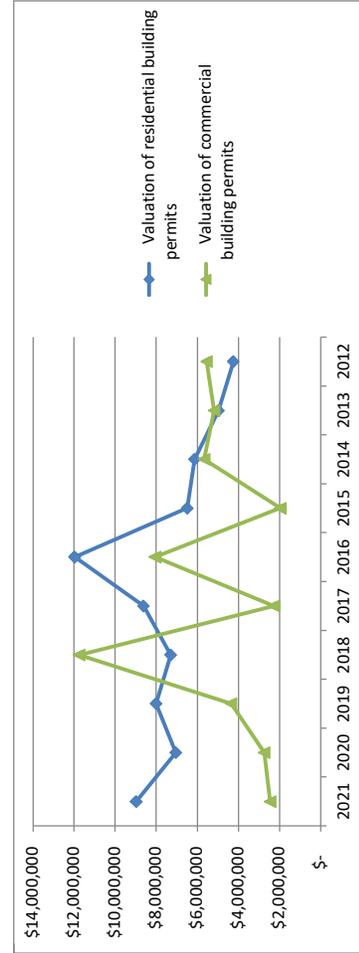
**CITY OF PINOLE  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

**Date of Incorporation** 1903  
**Form of Government** Council-Manager  
**Number of Employees(including police & fire)**  
 Full-time 86  
 Part-time 30  
**Area in square miles** 5 square miles

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Fire Protection :</b>										
Number of fire personnel & officers (incl. Reserves)	15	15	15	15	15	15	15	17	15	15
Number of calls answered	2,086	2,574	2,493	2,515	2,647	2,406	1,908	2,205	2,250	2,000
Number of inspections conducted	375*	231	168	89	45	404	60	7	48	55
Number of building plan reviews	35	29	28	21	34	66	50	25	32	61
Number of fire investigations	Not Available	2	Not Available	Not Available	51					
<b>Police Protection :</b>										
Number of police personnel & officers (incl. Reserves)	46	46	46	45.5	41.5	41.5	40	40	40	41
Number of police personnel per thousand population	2.37	2.36	2.36	2.37	2.19	2.21	2.11	2.13	2.14	2.21
<b>Community Development:</b>										
Number of residential building permits	905	843	749	690	777	1027	1061	800	651	608
Valuation of residential building permits	\$ 8,978,646	\$ 7,043,338	\$ 8,012,647	\$ 7,293,429	\$ 8,613,376	\$ 11,969,126	\$ 6,485,860	\$ 6,140,140	\$ 4,974,080	\$ 4,240,627
Number of commercial building permits	45	43	153	84	92	46	22	43	59	46
Valuation of commercial building permits	\$ 2,453,802	\$ 2,749,091	\$ 4,354,070	\$ 11,752,779	\$ 2,275,774	\$ 8,053,064	\$ 1,961,346	\$ 5,671,577	\$ 5,187,465	\$ 5,547,362
<b>Sewer System:</b>										
Daily average treatment in gallons	2,553,562	2,255,055	2,277,331	2,151,096	2,914,000	2,381,151	2,449,863	2,579,625	2,776,986	2,907,205
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

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



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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<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	1	1
<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	5,416	5,416	5,416	5,414	5,414	5,423
<b>Schools:</b>										
Elementary-public	5	5	5	5	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