

# CITY OF PINOLE, CALIFORNIA

## Annual Comprehensive Financial Report



For the Fiscal Year Ended  
June 30, 2022





CITY OF PINOLE, CALIFORNIA

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2022**

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, 2022

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, 2022.

## Introduction

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

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

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

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, 2022. 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, 2022 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 required for the City for the fiscal year

ended June 30, 2022 because the City's expenditure of federal funds exceeded the \$750,000 threshold for the year.

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

## **Profile of the Government**

The City 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 18,628.

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

Pinole is a full-service city, with 132.6 full-time equivalent authorized personnel in FY 2022/23. 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 2022 was 3.2%, down from 7.0% in 2021. Contra Costa County, which includes Pinole, had an unemployment rate of 2.9% in 2022, which is less than the state's average rate of 3.8%.

Real property values continue to rise. The median price of a detached single-family home in Pinole increased by 9% from June 2021 to June 2022.

## **Long-Term Financial Planning and Major Initiatives**

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, including strategies to develop a cost allocation plan, conduct a comprehensive user fee study, and update the master fee schedule.

As one of the strategies, the City developed its first Long-Term Financial Plan (LTFP) in 2021. The LTFP covers a five-year timeframe and identifies the major economic and demographic trends that might impact future demands for City services and future City revenues. It includes a five-year forecast of all City funds based on the City's current services and revenue sources and assumptions about the future. The LTFP identifies the major challenges and opportunities that the City will likely face over the planning horizon to help make future financial and operational decisions.

The City maintains a Capital Improvement Plan (CIP), which is a multi-year planning tool used to identify and implement the City's capital needs over the upcoming five-year period. The CIP aligns the capital improvement needs with appropriate funding, scheduling, and implementation. The plan is working blueprint for building and sustaining publicly funded physical infrastructure.

Despite needing to devote a significant amount of time to COVID-19 and advancing the Strategic Plan strategies, City staff was able to implement a limited number of new programs and services during the fiscal year, such as a re-opening plan to resume in-person programs at the Senior Center, Youth Center, and Tiny Tots, expanded park restroom hours, and small business assistance grants.

Following are some major initiatives that were completed in FY 2021/22:

- Implemented the City's new organizational structure to improve capacity and coordination, based on the organizational assessment. The new structure created 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 created 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.

- Conducted a comprehensive user and regulatory fee study that provided an analysis of the City's current cost of providing fee-related services, and recommended changes to the various fees to recover costs. The City updated its master fee schedule based on the results of the study and the changes went into effect on September 1, 2022.

## **Relevant Financial Policies**

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 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.

In accordance with its Reserve Policy, the City maintains cash reserves to meet certain anticipated future obligations as well as to ensure that the City maintains adequate financial resources to continue to provide basic municipal services in the event of a significant unanticipated revenue decrease or expenditure increase. The reserves are held in a separate fund referred to as the General Reserve. The General Reserve maintains an amount equivalent to 50% of the City's annual General Fund ongoing operating expenditures per the Reserve Policy.

Public funds held by the City treasury were invested in accordance with the City's Investment Policy, which conforms to 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 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.

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 some 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 ACFR for the fiscal year ended June 30, 2021. This was the twenty-fourth 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 and Anthony Colden, Accounting Specialist for their commitment and effectiveness in the maintenance of the City's financial records.

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

Respectfully submitted,



Andrew Murray  
City Manager



Markisha Guillory  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Pinole  
California**

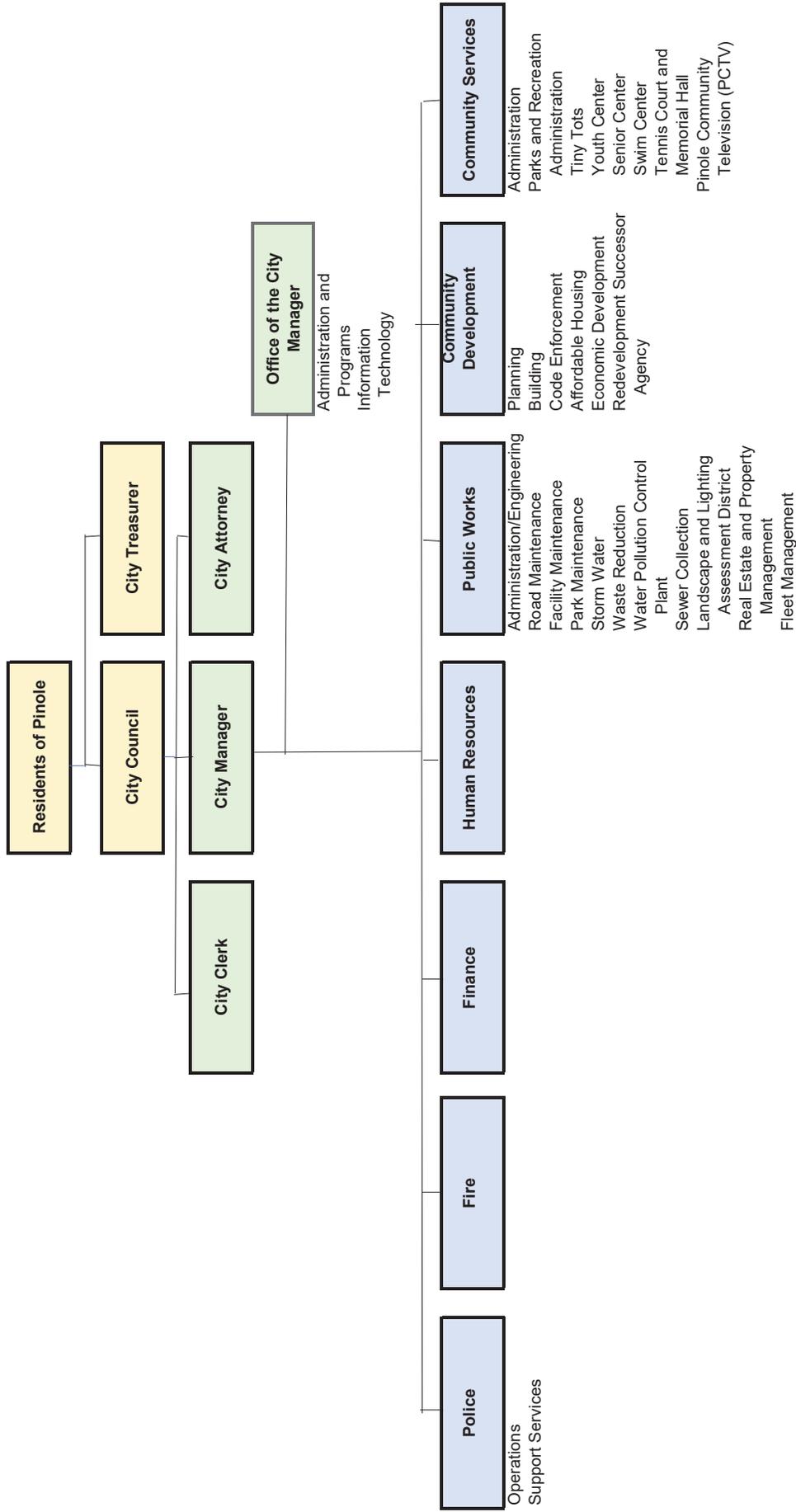
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrill*

Executive Director/CEO

CITY OF PINOLE  
 ORGANIZATIONAL CHART  
 FY 2021/22



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

**JUNE 30, 2022**

**ELECTED OFFICIALS**



Vincent Salimi  
Mayor



Devin Murphy  
Mayor Pro Tempore



Anthony Tave  
Council Member



Maureen Toms  
Council Member



Norma Martínez-Rubin  
Council Member



Roy Swearingen  
City Treasurer

**DEPARTMENT HEADS**

City Manager	Andrew Murray
City Attorney (Contract)	Eric Casher
City Clerk	Heather Bell
Community Development Director	Lilly Whalen
Community Services Director	<i>Vacant</i>
Finance Director	Markisha Guillory
Fire Chief	Chris Wynkoop
Human Resources Director	Stacy Shell
Police Chief	Neil Gang
Public Works Director	Sanjay Mishra





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## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Audit of the Financial Statements**

#### *Opinions*

We have audited 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 (City), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Responsibility of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

#### *Auditor's Responsibility for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore

is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements

In performing an audit in accordance with GAAS, we:

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

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, defined benefit pension plan information, and OPEB plan information on pages 5-18 and 91-95 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, and the schedule of section 115 pension fund on pages 98 to 123 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, budgetary comparison schedules 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, combining and individual nonmajor fund financial statements, the budgetary comparison schedules, and the schedule of section 115 pension fund on pages 98 to 123 are fairly stated in all material respects in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and the statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2022 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Badawi & Associates, CPAs  
Berkeley, California  
December 30, 2022

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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 (FY) ended June 30, 2022 (FY 2021/22). 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 2021/22 by \$37.7 million (net position). Of this amount, \$34.1 million is restricted for specific purposes (restricted net position), \$44.6 million is the net investment in capital assets and \$41.2 million represents a deficit in unrestricted net position.
- The City's net position decreased by \$5.9 million, a 14% decrease at the close of FY 2021/22 as compared to FY 2020/21. This decrease is primarily the result of a substantial increase in deferred inflow of resources for pension related amounts. Overall, governmental activities net position decreased by \$6.2 million while business-type activities increased by \$0.3 million.
- Governmental funds reported ending balances of \$54.3 million, a decrease of \$2.3 million in comparison to the prior FY 2020/21.
- The General Fund balance closed at \$35.3 million, of which \$9.4 million is unassigned.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

- Actual General Fund revenues totaling \$19.1 million were \$2.0 million, or 9% lower than the final total revenue budget of \$21.0 million. Actual revenues were lower primarily attributable to significant interest income loss.
- Actual General Fund expenditures totaling \$21.9 million were \$4.2 million, or 16% less than the total final expenditure budget of \$26.1 million. The savings primarily resulted from lower actual expenditures in capital outlay due to deferred capital improvements.

### **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 2021/22 and FY 2020/21. 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, 2022 (2022) and June 30, 2021 (2021).

Summary of Net Position (in millions)							
	Governmental Activities		Business-type Activities		Totals		Total % Change
	2022	2021	2022	2021	2022	2021	
<b>Assets:</b>							
Current and other assets	\$ 59.0	\$ 58.9	\$ 19.5	\$ 18.8	\$ 78.5	\$ 77.7	1.00%
Capital assets	31.8	31.0	43.3	44.2	75.1	75.2	-0.10%
Total assets	<u>90.8</u>	<u>89.9</u>	<u>62.8</u>	<u>63.0</u>	<u>153.6</u>	<u>152.9</u>	<u>0.50%</u>
Deferred outflows of resources	14.3	15.7	1.6	1.7	15.9	17.4	-8.60%
<b>Liabilities:</b>							
Current liabilities	4.1	2.3	0.7	0.8	4.8	3.1	54.80%
Long-term liabilities	64.6	78.6	37.4	39.8	102.0	118.4	-13.90%
Total liabilities	<u>68.7</u>	<u>80.9</u>	<u>38.1</u>	<u>40.6</u>	<u>106.8</u>	<u>121.5</u>	<u>12.10%</u>
Deferred inflows of resources	22.6	4.7	2.4	0.5	25.0	5.2	380.80%
<b>Net position:</b>							
Net Investment in capital assets	31.7	31.0	12.9	12.8	44.6	43.8	1.80%
Restricted	34.1	33.5			34.1	33.5	1.80%
Unrestricted	(52.2)	(44.5)	11.0	10.8	(41.2)	(33.7)	22.20%
Total net position	<u>\$ 13.8</u>	<u>\$ 20.1</u>	<u>\$ 23.9</u>	<u>\$ 23.6</u>	<u>\$ 37.7</u>	<u>\$ 43.6</u>	<u>-13.50%</u>

### 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 \$37.7 million at the close of FY 2021/22. The City's combined net position decreased 13.5%, or \$5.9 million from the prior fiscal year. This is primarily a result of changes in business activities due to a substantial increase in deferred inflow of resources for pension related amounts. CalPERS reported a large return on plan assets during measurement period 2021; and most of this gain is deferred to be amortized for future years.

- *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 \$44.6 million (118% of the total). The City uses these capital assets to provide services to the community; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since generally capital assets are not used to liquidate these liabilities. The City's net investment in capital assets increased by \$0.8 million (Note 6).
- *Restricted net position* of \$34.1 million (91% of the total) represents resources that are subject to external restrictions on how they may be used. Of this amount, \$7.7 million represents housing net position with \$1.2 million of that amount representing properties held for housing resale or redevelopment (Note 5).

- *Unrestricted net position*, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements, increased by \$7.4 million to negative \$41.2 million. Governmental activities unrestricted net position was a negative \$52.1 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 \$11.0 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, 2022 (2022) and June 30, 2021 (2021).

	Governmental Activities		Business-type Activities		Totals		Total % Change
	2022	2021	2022	2021	2022	2021	
Revenues:							
Program revenues:							
Charges for services	\$ 6,054,032	\$ 2,877,798	\$ 7,770,772	\$ 7,527,056	\$ 13,824,804	\$ 10,404,854	32.90%
Operating grants and contributions	2,020,534	1,795,055	-	-	2,020,534	1,795,055	12.60%
Capital grants and contributions	712,728	-	-	-	712,728	-	0.00%
Total program revenue	8,787,294	4,672,853	7,770,772	7,527,056	16,558,066	12,199,909	35.70%
General revenues:							
Taxes:							
Property tax	4,211,331	4,001,411	-	-	4,211,331	4,001,411	5.20%
Sales tax	9,879,126	9,114,809	-	-	9,879,126	9,114,809	8.40%
Franchise tax	788,146	751,598	-	-	788,146	751,598	4.90%
Utility tax	2,495,570	2,329,873	-	-	2,495,570	2,329,873	7.10%
Transient occupancy tax	487,687	446,105	-	-	487,687	446,105	9.30%
Other taxes	566,726	468,987	-	-	566,726	468,987	20.80%
Motor Vehicle in Lieu	2,079,739	2,004,884	-	-	2,079,739	2,004,884	3.70%
Gain on disposal of asset	275,759	83,209	-	-	275,759	83,209	231.40%
Investment Earnings	(2,657,045)	3,020,587	(196,758)	44,259	(2,853,803)	3,064,846	-193.10%
Miscellaneous	127,813	270,712	-	-	127,813	270,712	-52.80%
Total general revenues	18,254,852	22,492,175	(196,758)	44,259	18,058,094	22,536,434	-19.90%
Total revenues	27,042,146	27,165,028	7,574,014	7,571,315	22,025,731	34,736,343	-36.60%
Expenses:							
General government	5,539,414	4,957,477	-	-	5,539,414	4,957,477	11.70%
Public safety	19,255,147	15,895,381	-	-	19,255,147	15,895,381	21.10%
Public services	3,943,251	4,541,157	-	-	3,943,251	4,541,157	-13.20%
Recreation	1,878,342	949,734	-	-	1,878,342	949,734	97.80%
Community development	2,271,609	1,275,333	-	-	2,271,609	1,275,333	78.10%
Interest and fiscal charges	388,876	331,218	-	-	388,876	331,218	17.40%
Wastewater utility			7,266,212	6,688,530	7,266,212	6,688,530	8.60%
Total expenses	33,276,639	27,950,300	7,266,212	6,688,530	40,542,851	34,638,830	17.00%
Revenues over (under) expenses	(6,234,493)	(785,272)	307,802	882,785	(5,926,691)	97,513	-6177.80%
Changes in Net Position	(6,234,493)	(785,272)	307,802	882,782	(5,926,691)	97,513	-6177.80%
Net position, beginning of year, restated	20,050,263	20,835,535	23,578,719	22,695,934	43,628,982	43,531,469	0.20%
Net position, end of year	\$ 13,815,770	\$ 20,050,263	\$ 23,886,521	\$ 23,578,719	\$ 37,702,291	\$ 43,628,982	-13.60%

### ***Governmental Activities***

Governmental activities net position decreased by \$6.2 million. Key elements of the change in net position are as follows:

- Program revenue and charges for services reflected an increase of \$4.1 million (88.0%) over FY 2020/21.
- General revenue reflected a decrease of \$4.2 million (18.8%) over FY 2020/21. This is largely attributable to a decrease in interest income of \$2.7 million due to investment losses mainly in the Section 115 Pension Trust investment portfolio.
- Expenses increased by \$5.3 million (19.1%) over FY 2020/21. The most significant changes were in public safety with an increase of \$3.4 million (21.1%), recreation with an increase of \$0.9 million (97.8%), and community development with an increase of \$0.9 million (78.1%).

### ***Business-type Activities***

Business-type activities net position increased by \$0.3 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 \$0.2 million (3.2%) over the prior fiscal year.
- There was an increase in expenses over the prior fiscal year of \$0.6 million (8.6%). Depreciation expense is considered a cost of service in proprietary funds, which accounted for \$1.2 million in FY 2021/22 (Note 6).
- The City of Pinole is financing its share of the Water Pollution Control Plant Upgrade project through a low interest loan from the State Revolving Loan Fund. The City was approved for a loan in the amount of \$26.7 million by the State Water Resources Control Board. In order to repay the loan, the City Council approved Resolution Number 2013-47 with scheduled rate increases over a five-year period, beginning July 1, 2013. The rate plan was amended July 17, 2018 by Resolution Number 2018-66. The 2021 monthly rate for single family residents was \$71.44 and \$60.72 for multi-family residents.

## Fund Financial Analysis

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

### Governmental Funds

The following table presents the Governmental Funds' balances as of June 30, 2022:

	Governmental Fund Balances		
	General Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable	\$ 45,296	\$ 315,552	\$ 360,848
Restricted	17,271,818	17,236,034	34,507,852
Assigned	8,533,768	2,069,680	10,603,448
Unassigned	9,405,968	(600,971)	8,804,997
<b>Total Fund Balances</b>	<b>\$ 35,256,850</b>	<b>\$ 19,020,295</b>	<b>\$ 54,277,145</b>

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

At June 30, 2022, the City's governmental funds reported combined fund balances of \$54.3 million, which is a decrease of \$2.3 million (4.1%) when compared to the prior fiscal year, FY 2020/21. This largely results from a net decrease in the restricted fund balance due to interest income loss mostly in the pension fund. Also, the unassigned fund balance decreased due to the funding of new positions, special projects, and normal cost escalation.

*Nonspendable fund balances* constitute \$0.4 million, (0.7%) 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 \$34.5 million, (63.6%) 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 \$10.6 million (19.5%) of the combined governmental fund balance and are constrained by City Council for reserves for economic uncertainty as well as certain capital projects. *Assigned fund balances* are intended to be used for specific purposes and have been identified as such by the City Council or the City Manager who has been delegated authority by the City Council to assign amounts.

*Unassigned fund balances* constitute \$8.8 million (16.2%) 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 2021/22 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 decreased by \$4.7 million (11.8%), as a net result of expenditures in excess of revenues in the current fiscal year of \$2.8 million, and other financing uses in the amount of \$1.9 million resulting from operating contributions to other operating funds.

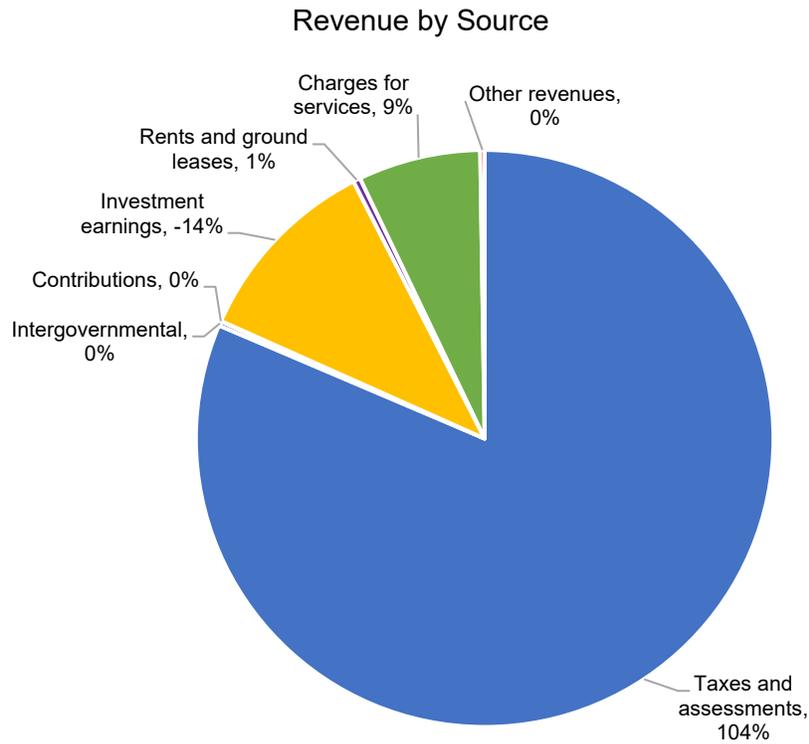
General Fund revenue decreased by \$4.5 million (19%) this fiscal year as compared to FY 2020/21. The largest component of this decrease was the loss of interest income resulting from negative returns on investments.

General Fund expenditures increased \$2.0 million this fiscal year (9.9%) this fiscal year compared to FY 2020/21. This is primarily attributed to increases in public safety for salary and benefits costs including overtime and new hires; and payouts for a FLSA settlement agreement.

## Revenue

The following table highlights the General Fund revenue by source as of June 30, 2022.

<b>Revenue by Source</b>	<b>% of Total</b>	<b>FY 2021/22</b>
Taxes and assessments	104%	\$ 19,811,026
Intergovernmental	0%	60,784
Contributions	0%	5,000
Investment earnings	-14%	(2,632,879)
Rents and ground leases	1%	97,103
Charges for services	9%	1,669,964
Other revenues	0%	60,058
<b>Total</b>	<b>100%</b>	<b>\$ 19,071,056</b>

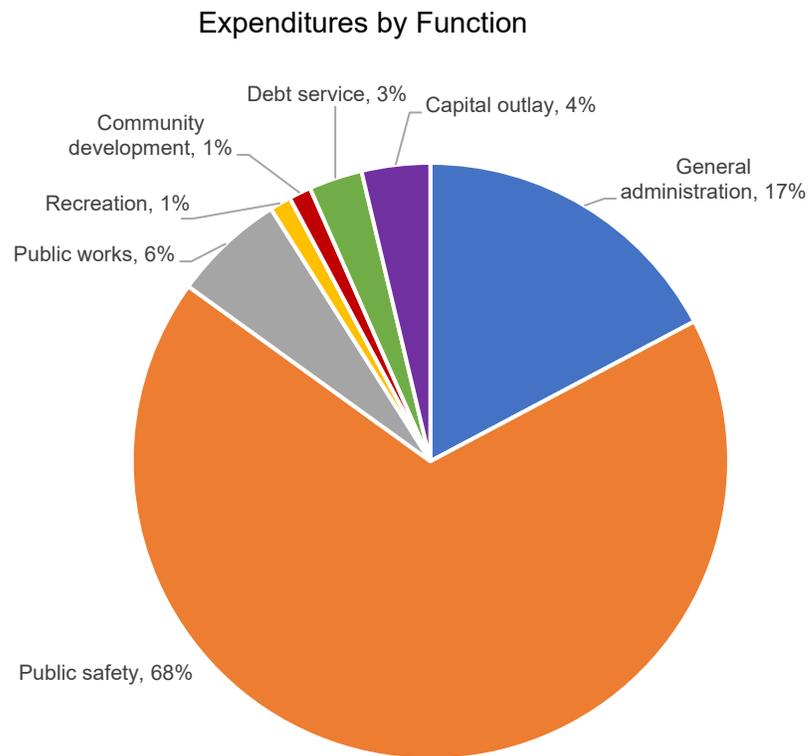


## Expenditures

The following table highlights the General Fund expenditures by function as of June 30, 2022.

### Expenditures by Function

	<u>% of Total</u>	<u>FY 2021/22</u>
General administration	17%	\$ 3,777,341
Public safety	68%	14,837,394
Public services	6%	1,330,703
Recreation	1%	253,414
Community development	1%	263,181
Debt service	3%	633,696
Capital outlay	4%	813,040
Total	100%	<u>\$ 21,908,769</u>



## **Other Governmental Funds**

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

Other governmental funds revenue increased by \$4.2 million this fiscal year as compared to FY 2020/21. This is largely the result of increases in the collection of development impact fees due to a major multi-unit housing development, and the first installment of the City's allocation of the American Rescue Plan Act (ARPA) funds.

Other governmental funds expenditures increased by \$2.1 million this fiscal year as compared to FY 2020/21. This is largely due to net increases in the capital outlay category as a result of infrastructure projects completed this fiscal year, recreation personnel expenditures due to reorganization, and allowable expenditures funded by ARPA funds including small business assistance programs.

## ***Proprietary Fund***

### **Wastewater Utility**

The Wastewater Utility Funds net position increased by \$0.3 million, 1.3% over the prior fiscal year to a total of \$23.9 million. Operating income for FY 2021/22 was \$1.0 million, as revenues increased \$0.2 million, while expenses increased \$0.7 million.

The Fund's Net Position is comprised of \$12.9 million net investment in capital assets and \$11.0 million in unrestricted net assets at June 30, 2022. 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. 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 7).

An advance of \$4.3 million 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. At June 30, 2022, the balance outstanding on the advance was \$862,883.

## 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, 2022 was \$44.6 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 6).

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

#### Capital Assets at Year-end

	<u>2022</u>	<u>2021</u>	<u>Net Change</u>
<b>Governmental Activities</b>			
Land (and Construction-in-progress)	\$ 7,492,981	\$ 6,908,335	\$ 418,521
Buildings & Improvements	16,048,771	15,959,889	88,882
Equipment	5,994,835	5,929,753	65,082
Vehicles	4,745,213	4,636,944	108,269
Streets & Roads	52,526,060	51,462,868	1,063,192
Storm Drains	2,880,999	2,880,999	-
Bridges	3,117,473	3,117,473	-
Parks	2,502,680	2,502,680	-
Leased Equipment	95,874	-	95,874
Less accumulated depreciation	(63,636,295)	(62,390,133)	(1,246,162)
<b>Totals</b>	<b><u>31,768,591</u></b>	<b><u>31,008,808</u></b>	<b><u>759,783</u></b>
<b>Business-type activities</b>			
Sewer Lines	7,650,185	7,650,185	-
Buildings & Improvements	51,766,267	51,765,446	821
Vehicles	1,013,454	1,008,306	5,148
Equipment	3,293,203	3,259,400	33,803
Less accumulated depreciation	(20,432,481)	(19,475,768)	(956,713)
<b>Totals</b>	<b><u>\$ 43,290,628</u></b>	<b><u>\$ 44,207,569</u></b>	<b><u>\$ (916,941)</u></b>

## Debt Administration:

Each of the City's debt issues is discussed in detail in Note 8 to the financial statements. At June 30, 2022 the City's remaining long-term debt related to governmental activities is comprised of a Pension Obligation Bond, as follows:

	Outstanding Debt		
	Balance June 30, 2022	Balance June 30, 2021	Net Change
<b>Governmental Activity Debt:</b>			
Pension Obligation bonds	\$ 2,512,885	\$ 2,734,450	\$ (221,565)
<b>Total Debt</b>	<b>\$ 2,512,885</b>	<b>\$ 2,734,450</b>	<b>\$ (221,565)</b>

Other long-term liabilities related to governmental activities include accrued payroll obligations (vested compensated absences accrued).

	Other Long-term Liabilities		
	Balance June 30, 2022	Balance June 30, 2021	Net Change
<b>Other Long-term Liabilities:</b>			
Compensated Absences	\$ 943,925	\$ 945,597	\$ (1,672)
<b>Total Other Long-term Liabilities</b>	<b>\$ 943,925</b>	<b>\$ 945,597</b>	<b>\$ (1,672)</b>

## ECONOMIC OUTLOOK AND MAJOR INITIATIVES

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

- **Fiscal Year (FY) 2022/23 Operating and Capital Budget** was adopted by the City Council on June 21, 2022. The Adopted FY 2022/23 Operating and Capital Budget is not structurally balanced. Staff strongly believes that the 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 2022/23 Operating and Capital Budget does not include any use of the City's General Reserve.
- **COVID-19 impacts** to the community and the region continue to be monitored. City 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 total allocation was \$4.6 million. The City Council approved the use of a portion of the ARPA funds for a small business assistance grant program and a community gift card program. A portion of the funds was also used to support mandatory weekly COVID testing for public safety staff. The City Council allocated the remaining funds to the General Fund in the FY 2022/23 budget to recapture revenue loss resulting from the economic impact of the pandemic.
- **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.
- **Long-Term Financial Plan for Fiscal Year (FY) 2022/23 – FY 2026/27** was adopted in June 2022. It provides a five-year outlook and forecast of revenue and expenditures for all City funds. The LTFP identifies future potential opportunities and challenges that the City may proactively address through the annual budget and capital improvement planning processes. The financial forecast will be extended from a five-year to a ten-year horizon.
- **Capital Facility and Public Infrastructure projects** are progressing according to construction scheduling, with primary focus on repairs to City streets/roadways and facilities. The City adopted a Five-Year Capital Improvement Plan on June 21, 2022 which identifies capital needs and funding for the next five years.
- **Successor Agency Dissolution** activities are winding down as the former Redevelopment Agency's outstanding debt service will be paid off in FY 2023/24. Dissolution is expected to occur sometime after the final debt service payment.

## 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, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 35,484,793	\$ 18,072,768	\$ 53,557,561
Accounts receivable	3,308,577	339,808	3,648,385
Prepaid items	328,883	1,089,184	1,418,067
Inventory	31,965	3,446	35,411
Lease receivable	722,639	-	722,639
Land held for resale	1,222,070	-	1,222,070
Due from private-purpose trust fund	862,883	-	862,883
Restricted cash - pension	17,106,937	-	17,106,937
Capital assets:			
Land and construction in progress	7,492,981	-	7,492,981
Capital assets being depreciated, net	24,275,610	43,290,628	67,566,238
<b>Total assets</b>	<b>90,837,338</b>	<b>62,795,834</b>	<b>153,633,172</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	7,256,054	806,323	8,062,377
OPEB related amounts	7,048,785	783,199	7,831,984
<b>Total deferred outflows of resources</b>	<b>14,304,839</b>	<b>1,589,522</b>	<b>15,894,361</b>
<b>LIABILITIES</b>			
Accounts Payable	2,062,986	705,848	2,768,834
Unearned revenue	1,815,138	-	1,815,138
Deposits payable	199,977	-	199,977
Long-term liabilities:			
Due within one year	336,095	1,036,400	1,372,495
Due in more than one year	3,193,334	29,533,786	32,727,120
Other postemployment benefits:			
Due in more than one year	39,814,616	4,423,846	44,238,462
Net pension liability:			
Due in more than one year	21,271,573	2,363,487	23,635,060
<b>Total liabilities</b>	<b>68,693,719</b>	<b>38,063,367</b>	<b>106,757,086</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Lease receivable	713,501	-	713,501
Pension related amounts	16,898,923	1,877,661	18,776,584
OPEB related amounts	5,020,263	557,807	5,578,070
<b>Total deferred inflows of resources</b>	<b>22,632,687</b>	<b>2,435,468</b>	<b>25,068,155</b>
<b>NET POSITION</b>			
Net investment in capital assets	31,695,972	12,863,679	44,559,651
Restricted for:			
Streets & roads	2,739,200	-	2,739,200
Capital projects & others	5,483,165	-	5,483,165
Public safety	1,267,536	-	1,267,536
Housing activities	7,746,133	-	7,746,133
Pension	17,106,937	-	17,106,937
Unrestricted	(52,223,172)	11,022,842	(41,200,330)
<b>Total net position</b>	<b>\$ 13,815,771</b>	<b>\$ 23,886,521</b>	<b>\$ 37,702,292</b>

**City of Pinole**  
**Statement of Activities**  
**For the year ended June 30, 2022**

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	\$ 5,539,414	\$ 2,106,826	\$ 605,308	\$ 28,327
Public safety	19,255,147	1,925,962	288,894	-
Public services	3,943,251	739,693	1,126,332	684,401
Recreation	1,878,342	379,374	-	-
Community development	2,271,609	902,764	-	-
Interest and fiscal charges	388,876	-	-	-
Total governmental activities	33,276,639	6,054,619	2,020,534	712,728
<b>Business-type activities:</b>				
Wastewater utility	7,266,212	7,770,772	-	-
Total business-type activities	7,266,212	7,770,772	-	-
<b>Total primary government</b>	<b>\$ 40,542,851</b>	<b>\$ 13,825,391</b>	<b>\$ 2,020,534</b>	<b>\$ 712,728</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
\$ 2,740,461	\$ (2,798,953)	\$ -	\$ (2,798,953)
2,214,856	(17,040,291)	-	(17,040,291)
2,550,426	(1,392,825)	-	(1,392,825)
379,374	(1,498,968)	-	(1,498,968)
902,764	(1,368,845)	-	(1,368,845)
-	(388,876)	-	(388,876)
8,787,881	(24,488,758)	-	(24,488,758)
7,770,772	-	504,560	504,560
7,770,772	-	504,560	504,560
\$ 16,558,653	(24,488,758)	504,560	(23,984,198)
	4,211,331	-	4,211,331
	9,879,126	-	9,879,126
	788,146	-	788,146
	2,495,570	-	2,495,570
	487,687	-	487,687
	566,726	-	566,726
	2,079,739	-	2,079,739
	275,759	-	275,759
	(2,657,632)	(196,758)	(2,854,390)
	127,814	-	127,814
	18,254,266	(196,758)	18,057,508
	(6,234,492)	307,802	(5,926,690)
	20,050,263	23,578,719	43,628,982
\$ 13,815,771	\$ 23,886,521	\$ 37,702,292	

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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, 2022**

	Major Funds			Totals
	General Fund	Housing Programs Special Revenue Fund	Non-Major Governmental Funds	
<b>ASSETS</b>				
Cash and investments	\$ 16,347,650	\$ 5,662,041	\$ 13,475,102	\$ 35,484,793
Accounts receivable	2,596,110	516	711,951	3,308,577
Due from other funds	724,358	-	-	724,358
Due from private-purpose trust	-	862,883	-	862,883
Prepaid items and supplies	13,331	-	315,552	328,883
Inventory	31,965	-	-	31,965
Lease receivable	711,253	-	11,386	722,639
Land held for redevelopment	-	1,222,070	-	1,222,070
Restricted cash - Pension	17,106,937	-	-	17,106,937
<b>Total assets</b>	<b>\$ 37,531,604</b>	<b>\$ 7,747,510</b>	<b>\$ 14,513,991</b>	<b>\$ 59,793,105</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 1,453,165	\$ 1,377	\$ 608,444	\$ 2,062,986
Unearned revenue	39,715	-	1,775,423	1,815,138
Deposits payable	79,172	-	120,805	199,977
Due to other funds	-	-	724,358	724,358
<b>Total liabilities</b>	<b>1,572,052</b>	<b>1,377</b>	<b>3,229,030</b>	<b>4,802,459</b>
<b>Deferred inflows of resources:</b>				
Lease receivable	702,702	-	10,799	713,501
<b>Total deferred inflows of resources</b>	<b>702,702</b>	<b>-</b>	<b>10,799</b>	<b>713,501</b>
<b>Fund Balances:</b>				
Nonspendable	45,296	-	315,552	360,848
Restricted	17,271,818	7,746,133	9,489,901	34,507,852
Assigned	8,533,768	-	2,069,680	10,603,448
Unassigned	9,405,968	-	(600,971)	8,804,997
<b>Total fund balances</b>	<b>35,256,850</b>	<b>7,746,133</b>	<b>11,274,162</b>	<b>54,277,145</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 37,531,604</b>	<b>\$ 7,747,510</b>	<b>\$ 14,513,991</b>	<b>\$ 59,793,105</b>

# City of Pinole

## Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2022

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**Total Fund Balances - Total Governmental Funds** \$ 54,277,145

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 \$63,624,878 31,768,591

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

Long-term debt	(3,529,429)
Deferred outflows related to pension	7,256,054
Deferred outflows related to OPEB	7,048,785
Total OPEB liability	(39,814,616)
Net pension liability	(21,271,573)
Deferred inflows related to pension	(16,898,923)
Deferred inflows related to OPEB	<u>(5,020,263)</u>

**Net Position of Governmental Activities** \$ 13,815,771

# City of Pinole

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

### Governmental Funds

For the year ended June 30, 2022

	Major Funds			Totals
	General Fund	Housing Programs Special Revenue Fund	Non-Major Governmental Funds	
<b>REVENUES:</b>				
Taxes and assessments	\$ 19,811,026	\$ -	\$ 592,611	\$ 20,403,637
Intergovernmental revenues	60,784	-	2,777,167	2,837,951
Loan repayments	-	11,658	-	11,658
Contributions	5,000	-	5,574	10,574
Investment earnings	(2,632,879)	(44,948)	(76,327)	(2,754,154)
Rents and ground leases	96,516	-	24,625	121,141
Charges for services	1,669,964	-	3,911,050	5,581,014
Fines, forfeitures and penalties	10,411	-	28,981	39,392
Other revenues	49,648	41,492	424,035	515,175
<b>Total revenues</b>	<b>19,070,470</b>	<b>8,202</b>	<b>7,687,716</b>	<b>26,766,388</b>
<b>EXPENDITURES:</b>				
Current:				
General government	3,777,341	-	997,908	4,775,249
Public safety	14,837,394	-	306,565	15,143,959
Public services	1,330,703	-	1,117,948	2,448,651
Recreation	253,414	-	1,319,669	1,573,083
Community development	263,181	97,581	1,782,386	2,143,148
Capital outlay	813,040	-	1,814,467	2,627,507
Debt service:				
Principal	244,820	-	-	244,820
Interest and fiscal charges	388,876	-	-	388,876
<b>Total expenditures</b>	<b>21,908,769</b>	<b>97,581</b>	<b>7,338,943</b>	<b>29,345,293</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,838,299)</b>	<b>(89,379)</b>	<b>348,773</b>	<b>(2,578,905)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of asset	257,182	-	22,172	279,354
Transfers in	-	-	2,129,233	2,129,233
Transfers out	(2,129,233)	-	-	(2,129,233)
<b>Total other financing sources (uses)</b>	<b>(1,872,051)</b>	<b>-</b>	<b>2,151,405</b>	<b>279,354</b>
<b>Net change in fund balances</b>	<b>(4,710,350)</b>	<b>(89,379)</b>	<b>2,500,178</b>	<b>(2,299,551)</b>
<b>FUND BALANCES:</b>				
Beginning of year	39,967,200	7,835,512	8,773,984	56,576,696
End of year	\$ 35,256,850	\$ 7,746,133	\$ 11,274,162	\$ 54,277,145

## 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, 2022

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ (2,299,551)</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	\$ 2,337,867	
Gain on disposal of assets	275,759	
Proceed from sale of assets	(279,354)	
Depreciation/amortization expense	<u>(1,670,364)</u>	
Total capital assets	<u>\$ 663,908</u>	663,908

Debt proceeds are reported as financing sources in governmental funds and thus contribute to the liabilities and not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net position

Repayment of debt and lease principal	<u>\$ 244,820</u>	
Total	<u>\$ 244,820</u>	244,820

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	\$ 1,671	
Net difference between OPEB expense and contributions subsequent to the measurement date	(1,349,828)	
Net difference between pension expense and contributions subsequent to the measurement date	<u>(3,495,512)</u>	
Total	<u>\$ (4,843,669)</u>	(4,843,669)

<b>Change in Net Position of Governmental Activities</b>	<u><u>\$ (6,234,492)</u></u>
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## PROPRIETARY FUND FINANCIAL STATEMENTS

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

**City of Pinole**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	Business-type Activities Wastewater Utility Enterprise Fund
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 18,072,768
Accounts receivable	339,808
Prepaid items	1,089,184
Inventory	3,446
Total current assets	<u>19,505,206</u>
Noncurrent assets:	
Capital assets being depreciated, net	<u>43,290,628</u>
<b>Total assets</b>	<u>62,795,834</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension and OPEB related amounts	<u>1,589,522</u>
<b>Total deferred inflows of resources</b>	<u>1,589,522</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts Payable	705,848
Compensated absences - current	16,017
Bonds payable - current	341,000
Notes payable - current	679,383
Total current liabilities	<u>1,742,248</u>
Noncurrent liabilities:	
Compensated absences - noncurrent	127,220
Net OPEB liability	4,423,846
Bonds payable - noncurrent	5,980,000
Notes payable - noncurrent	23,426,566
Net Pension liability	2,363,487
Total noncurrent liabilities	<u>36,321,119</u>
<b>Total liabilities</b>	<u>38,063,367</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension and OPEB related amounts	<u>2,435,468</u>
<b>Total deferred inflows of resources</b>	<u>2,435,468</u>
<b>NET POSITION</b>	
Net investment in capital assets	12,863,679
Unrestricted	<u>11,022,842</u>
<b>Total net position</b>	<u>\$ 23,886,521</u>

# City of Pinole

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

### Proprietary Funds

For the year ended June 30, 2022

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	Business-type Activities Wastewater Utility Enterprise Fund
<b>OPERATING REVENUES:</b>	
Charges for services	\$ 7,770,772
<b>Total operating revenues</b>	<u>7,770,772</u>
<b>OPERATING EXPENSES:</b>	
Sewer treatment plant	4,381,607
Sewer maintenance	1,158,652
Depreciation	1,196,496
<b>Total operating expenses</b>	<u>6,736,755</u>
<b>OPERATING INCOME (LOSS):</b>	<u>1,034,017</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>	
Gain on disposal of assets	67,262
Interest revenue	(196,758)
Interest expense	(596,719)
<b>Total nonoperating revenues (expenses)</b>	<u>(726,215)</u>
<b>Change in net position</b>	307,802
<b>NET POSITION:</b>	
Beginning of year	<u>23,578,719</u>
End of year	<u>\$ 23,886,521</u>

**City of Pinole**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2022**

	Business-type Activities Wastewater Utility Enterprise Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>	
Cash received from customers	\$ 7,993,270
Cash paid to suppliers	(5,612,470)
Cash paid to employees	571,278
<b>Net cash provided by operating activities</b>	<b>2,952,078</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Proceeds from sale of assets	67,262
Acquisition and construction of capital assets	(279,555)
Principal paid on capital debt	(997,027)
Interest paid on capital debt	(596,719)
<b>Net cash used in capital and related financing activities</b>	<b>(1,806,039)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest and dividends	(196,758)
<b>Net cash provided by investing activities</b>	<b>(196,758)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>949,281</b>
<b>CASH AND CASH EQUIVALENTS:</b>	
Beginning of year	17,123,487
End of year	<u>\$ 18,072,768</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:</b>	
Operating income (loss)	\$ 1,034,017
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	1,196,496
(Increase) decrease in assets:	
Accounts receivables	222,498
Inventory	140
Deferred outflows of resources	149,717
Increase (decrease) in liabilities:	
Accounts payable	(72,351)
Compensated absences	32,910
Net OPEB liability	(227,378)
Net Pension Liability	(1,306,230)
Deferred inflows of resources	1,922,259
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 2,952,078</b>

## FIDUCIARY FUND FINANCIAL STATEMENTS

*Private Purpose Trust Fund* - this fund accounts for the successor Agency's activities

*Custodial Funds* - this fund accounts for assets held on behalf of other governments

**City of Pinole**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

	Private-Purpose Trust Fund	Custodial Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,340,748	\$ 159,690
Notes receivable, net of allowance	10,054	-
Land held for redevelopment	2,469,715	-
Capital assets not being depreciated	2,429,793	-
Capital assets being depreciated, net	7,474,516	-
<b>Total assets</b>	<b>18,724,826</b>	<b>159,690</b>
<b>LIABILITIES</b>		
Accounts payable	4,734	11,589
Deposits payable	56,238	128,144
Due to City	862,883	-
Due to County	18	-
Interest Payable	73,386	-
Bonds payable:		
Due within one year	4,220,000	-
Due in more than one year	3,570,000	-
<b>Total liabilities</b>	<b>8,787,259</b>	<b>139,733</b>
<b>NET POSITION</b>		
Held in trust for dissolution of RDA	9,937,567	-
Held for other government	-	19,957
<b>Total net position</b>	<b>\$ 9,937,567</b>	<b>\$ 19,957</b>

**City of Pinole**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2022**

	Private-Purpose Trust Fund	Custodial Funds
<b>ADDITIONS:</b>		
Property taxes	\$ 6,220,857	\$ -
Investment income	(27,548)	(287)
Other revenues	5,131	-
Gain on disposal of assets	40,169	-
<b>Total additions</b>	<b>6,238,609</b>	<b>(287)</b>
<b>DEDUCTIONS:</b>		
Operating cost	261,330	-
Depreciation	260,282	-
Debt interest	184,787	-
Land sale proceeds transfer to Contra Costa County	839,901	-
<b>Total Deductions</b>	<b>1,546,300</b>	<b>-</b>
<b>Change in fiduciary net position</b>	<b>4,692,309</b>	<b>(287)</b>
<b>NET POSITION:</b>		
Beginning of year	5,245,258	20,244
End of year	<u>\$ 9,937,567</u>	<u>\$ 19,957</u>

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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, 2022

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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, 2022 was 18,628.

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, 2022, the City's staff comprised 97 full-time and 27 part-time employees who are responsible for the following City-provided services:

Public Safety - The City employs 21 sworn and 21 non-sworn police personnel to provide round-the-clock police services from a central station, and 16 personnel to provide round-the-clock fire services from one fire station.

Sanitation and Health Service - The City maintains a sewage treatment plant with 9 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 12 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 45 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, 2022**

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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, 2022**

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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, 2022**

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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* - This fund is used to account for funds collected from asset seizure, funds held in the police evidence trust, and private donations received for the community assistance program.

*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, 2022**

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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, 2022**

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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, 2022**

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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, 2022**

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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. Leases Receivable**

The City's leases receivable are measured at the present value of lease payments expected to be received during the lease terms. Deferred inflows of resources are recorded for the leases. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable.

**I. 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, 2022**

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

**I. 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.

**J. 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.

**K. 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, 2022. 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.

**L. 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 assets 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, 2022**

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

**L. *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 assets 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.

**M. *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.

**N. *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, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

**O. *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, 2022**

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

*P. 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, 2022**

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

**Q. *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.

**R. *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.

**S. *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.

**T. *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.

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

In 2022, the City adopted new accounting standards in order to conform to the following Governmental Accounting Standards Board Statements:

**GASB Statement No. 87 - Leases** - The objective of this statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement have been implemented during the current fiscal year.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

**GASB Statement No. 89** – Construction-Period Interest – The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement did not apply to the City for the current fiscal year.

**GASB Statement No. 92** – Omnibus 2020 – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement did not apply to the City for the current fiscal year.

**GASB Statement No. 97** - Certain Component Unit Criteria, And Accounting And Financial Reporting For Internal Revenue Code Section 457 Deferred Compensation Plans –an Amendment Of GASB Statements No. 14 And No. 84, And A Supersession Of GASB Statement No. 32 - The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement have been implemented during 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 last fiscal year.

**GASB Statement No. 99** – Omnibus - 2022 – The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements of this Statement did not apply to the City for the current fiscal year.

**2. CASH AND INVESTMENTS**

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**2. CASH AND INVESTMENTS, Continued**

**A. Summary of Cash and Investments**

Cash and investments as of June 30, 2022 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	\$ 35,484,793	\$ 17,106,937	\$ 52,591,730
Business-type activities	18,072,768	-	18,072,768
Total government-wide cash and investments	53,557,561	17,106,937	70,664,498
Fiduciary activities	6,500,438	-	6,500,438
Total cash and investments	<u>\$ 60,057,999</u>	<u>\$ 17,106,937</u>	<u>\$ 77,164,936</u>

Cash and investments were carried at fair value as of June 30, 2022 and consisted of the following:

Cash on hand	\$ 1,920
Deposits with financial institution	2,074,631
Total cash on hand and deposits	<u>2,076,551</u>
Money Market	11,973,449
Local Agency Investment Funds	34,573,283
CalTrust	3,250,212
Investments held by custodian	8,184,503
Restricted cash and investment with PARS	17,106,937
Total investments	<u>75,088,384</u>
Total cash and investments	<u>\$ 77,164,935</u>

**B. Deposits**

The carrying amount of the City's cash deposit was \$2,074,632 at June 30, 2022. Balance before reconciling amounts were a positive amount of \$2,279,244 at June 30, 2022. 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, 2022**

**2. CASH AND INVESTMENTS, Continued**

***B. Deposits, Continued***

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

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

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

<b>Authorized Investment Type</b>	<b>Maximum Maturity</b>	<b>Maximum Percentage of Portfolio</b>	<b>Maximum Investment in One Issuer</b>
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, 2022**

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**2. CASH AND INVESTMENTS, Continued**

*D. Investments Authorized by Debt Agreements*

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

Authorized Investment 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, 2022**

**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, 2022:

Investments	Total Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Federal agency securities	\$ 466,210	\$ -	\$ 466,210	\$ -
Corporate notes	1,687,595	-	1,687,595	-
Negotiable certificates of deposits	3,374,469	-	3,374,469	-
Restricted Cash & investment with PARS	17,106,937	-	17,106,937	-
Total subject to levelling	22,635,211	\$ -	\$ 22,635,211	\$ -
<i>Investments not subject to levelling</i>				
Money Market	11,973,449			
Mutual Funds	2,656,229			
Local Agency Investment Fund	34,573,283			
Caltrust	3,250,212			
Total	\$ 75,088,384			

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, 2022**

**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, 2022:

	Remaining Maturity		Total Fair Value
	12 Months or less	1-5 years	
Money Market	\$ 11,973,449	\$ -	\$ 11,973,449
Local Agency Investment Fund	34,573,283	-	34,573,283
Caltrust	3,250,212	-	3,250,212
Securities of U.S. Government:			
Federal agency securities	-	466,210	466,210
Corporate notes	746,085	941,510	1,687,595
Negotiable certificates of deposits	1,726,334	1,648,135	3,374,469
Mutual Funds	2,656,229	-	2,656,229
Restricted cash & investment with PARS	17,106,937	-	17,106,937
Total	<u>\$ 72,032,529</u>	<u>\$ 3,055,855</u>	<u>\$ 75,088,384</u>

**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	\$ 11,973,449			Not rated
Local Agency Investment Fund	34,573,283			Not rated
Caltrust	3,250,212	Aaf	N/A	
Securities of U.S. Government				
Federal Agency Securities	466,210	AA+	Aaa	
Corporate Notes	941,510	AA+	Aaa	
Corporate Notes	746,085	AAA	Aaa	
Negotiable certificates of deposits	3,374,469			Not rated
Mutual Funds	2,656,229			Not rated
Restricted cash - PARS	17,106,937			Not rated
Total	<u>\$ 75,088,384</u>			

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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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, 2022.

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, 2022 and 2021, 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, 2022, the City had \$34,573,283 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of 0.987125414 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, 2022**

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

These notes and loans receivable, including interest, comprised of the following at June 30, 2022 and are explained in detail below:

	Notes Receivable	Less: Allowance for Doubtful Notes
Housing Rehabilitation	\$ 30,685	\$ (30,685)
First Time Home-Buyer	240,075	(240,075)
Bridge Housing Loan	1,039,904	(1,039,904)
Alvarez Court	1,812,498	(1,812,498)
Eastbuff Apartment Loan	1,120,505	(1,120,505)
Total	\$ 4,243,667	\$ (4,243,667)

**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 \$30,685 at June 30, 2022.

**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, 2022 was \$240,075.

**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, 2022, the outstanding balance was \$1,039,904

**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, 2022, the total outstanding balance was \$1,812,498

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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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, 2022, the outstanding balance was \$1,120,505.

*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, 2022.

**4. LEASES RECEIVABLE**

*A. Community Playhouse Lease*

In June 2019, the City entered into a lease agreement with Pinole Community Players. Under the lease, the lessee pays the City \$5,000 per year (with a 5% increase every year) for a period of 5 years. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.00%. For the year ended June 30, 2022, the City recognized \$5,119 of lease revenue and \$292 of interest revenue under the lease.

*B. Post Office Building Lease*

In September 2015, the City entered into office building lease agreement with United States Postal Services (USPS), with two renewal options of 5 years each. Under the first renewal option, the lessee pays the city \$87,966 per year (with an 8.00% increase after five years). for a period of 5 years. It is reasonably certain that the second renewal option will be exercised. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 1.390%, which is USPS weighted average discount rate on operating leases. For the year ended June 30, 2022, the City recognized \$77,495 of lease revenue and \$10,471 of interest revenue under the lease.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**4. LEASES RECEIVABLE, Continued**

***B. Post Office Building Lease, Continued***

The future payments on the leases as of June 30, 2022 were as follows:

Year Ending June 30,	Community Playhouse Lease		Post Office Building Lease		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 5,494	\$ 187	\$ 78,579	\$ 9,387	\$ 84,073	\$ 9,574
2024	5,892	74	79,678	8,288	85,570	9,574
2025	-	-	80,793	7,173	80,793	7,173
2026	-	-	87,818	6,012	87,818	6,012
2027	-	-	90,234	4,769	90,234	4,769
2028-2032	-	-	294,151	6,690	294,151	6,690
Total	\$ 11,386	\$ 261	\$ 711,253	\$ 42,319	\$ 722,639	\$ 43,792

**5. LAND HELD FOR RESALE**

At June 30, 2022, 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, 2022**

**6. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance June 30, 2021 (restated)	Additions	Retirements	Transfers	Balance June 30, 2022
<b><i>Governmental activities:</i></b>					
<b>Nondepreciable assets:</b>					
Land	\$ 6,313,621	\$ -	\$ -	\$ -	\$ 6,313,621
Construction in progress	594,714	686,082	-	(101,436)	1,179,360
<b>Total nondepreciable assets</b>	<b>6,908,335</b>	<b>686,082</b>	<b>-</b>	<b>(101,436)</b>	<b>7,492,981</b>
<b>Capital assets being depreciated</b>					
Buildings and improvements	15,959,889	-	(12,554)	101,436	16,048,771
Equipment	5,929,753	65,082	-	-	5,994,835
Vehicles	4,636,944	523,512	(415,243)	-	4,745,213
Streets and roads	51,462,868	1,063,192	-	-	52,526,060
Storm drains	2,880,999	-	-	-	2,880,999
Bridges	3,117,473	-	-	-	3,117,473
Parks	2,502,680	-	-	-	2,502,680
Leased equipment	95,874	-	-	-	95,874
<b>Total capital assets being depreciated</b>	<b>86,586,480</b>	<b>1,651,786</b>	<b>(427,797)</b>	<b>101,436</b>	<b>87,911,905</b>
<b>Accumulated depreciation</b>					
Buildings and improvements	11,132,958	254,090	(12,554)	-	11,374,494
Equipment	4,827,810	253,020	-	-	5,080,830
Vehicles	2,970,277	390,508	(411,648)	-	2,949,137
Streets and roads	38,988,423	683,359	-	-	39,671,782
Storm drains	1,415,875	23,066	-	-	1,438,941
Bridges	1,955,746	36,783	-	-	1,992,529
Parks	1,099,044	5,570	-	-	1,104,614
<b>Accumulated amortization</b>					
Leased assets	-	23,968	-	-	23,968
<b>Total accumulated depreciation &amp; amortization</b>	<b>62,390,133</b>	<b>1,670,364</b>	<b>(424,202)</b>	<b>-</b>	<b>63,636,295</b>
<b>Net depreciable assets</b>	<b>24,196,347</b>	<b>(18,578)</b>	<b>(3,595)</b>	<b>101,436</b>	<b>24,275,610</b>
<b>Total net capital assets</b>	<b>\$31,104,682</b>	<b>\$ 667,504</b>	<b>\$ (3,595)</b>	<b>\$ -</b>	<b>\$31,768,591</b>

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

General administration	\$ 123,189
Public safety	480,521
Public services	973,839
Recreation	85,941
Community development	6,874
<b>Total depreciation/amortization expense</b>	<b>\$ 1,670,364</b>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**6. CAPITAL ASSETS, Continued**

	Balance June 30, 2021	Additions	Retirements	Transfers	Balance June 30, 2022
<b><u>Business-type activities</u></b>					
<b>Depreciable assets:</b>					
Buildings and improvements	\$ 51,765,446	\$ 821	\$ -	\$ -	\$ 51,766,267
Sewer lines	7,650,185	-	-	-	7,650,185
Equipment	3,259,400	33,803	-	-	3,293,203
Vehicles	1,008,306	244,930	(239,782)	-	1,013,454
<b>Total depreciable assets</b>	<b>63,683,337</b>	<b>279,554</b>	<b>(239,782)</b>	<b>-</b>	<b>63,723,109</b>
<b>Accumulated depreciation</b>					
Buildings and improvements	8,871,622	945,969	-	-	9,817,591
Sewer lines	8,101,763	83,699	-	-	8,185,462
Equipment	1,923,732	40,075	-	-	1,963,807
Vehicles	578,651	126,753	(239,782)	-	465,622
<b>Total accumulated depreciation</b>	<b>19,475,768</b>	<b>1,196,496</b>	<b>(239,782)</b>	<b>-</b>	<b>20,432,481</b>
<b>Net depreciable assets</b>	<b>44,207,569</b>	<b>(916,942)</b>	<b>-</b>	<b>-</b>	<b>43,290,628</b>
<b>Total net capital assets</b>	<b>\$ 44,207,569</b>	<b>\$ (916,942)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 43,290,628</b>

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

Wastewater Utility	\$ 1,196,496
	<u>\$ 1,196,496</u>

**Intangible Right-to-Use Assets:**

In FY 2022, the City implemented the guidance in GASB No. 87, leases and recognized the value of equipment leased under long-term contract. The leased intangible assets and related amortization have been reported on the governmental activity capital assets schedule.

As of June 30, 2022, the City had 9 photocopiers leased from Ray Morgan Company. The intangible right-to-use asset is being amortized over 5 years, the term of the lease. Terms of the lease are described in Note 8A

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**7. 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, 2022 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. At June 30, 2022, the balance outstanding on the advance was \$862,883.

**8. 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, 2022:

	Balance July 1, 2021 (restated)	Addition	Retirements	Balance June 30, 2022	Current Portion
<b>Governmental Activity Debt:</b>					
2006 Pension Obligation Bond	\$ 2,734,450	\$ -	\$ (221,565)	\$ 2,512,885	\$ 215,586
Lease Liability	95,874	-	(23,255)	72,619	24,960
Compensated Absences	945,597	765,859	(767,531)	943,925	96,785
<b>Total Governmental Activity Debt</b>	<b>\$ 3,775,921</b>	<b>\$ 765,859</b>	<b>\$ (1,012,351)</b>	<b>\$ 3,529,429</b>	<b>\$ 337,331</b>

A description of the long-term liabilities related to governmental activities at June 30, 2022 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.

Lease Liabilities

In FY 2022, the City implemented the guidance in GASB No. 87, Leases, for accounting and reporting leases.

On May 6, 2020, the City leased copiers from Ray Morgan Company to acquire the right to use 9 copiers in the amount of \$95,874 for a period of 60 months. The lease requires a monthly lease payment of 2,079.99 starting 2021 through 2025. For the purpose of discounting future payments on the lease, the City used an interest rate of 2%.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

**A. Governmental Activities, Continued**

Future debt service payments for governmental activities are as follows:

Year Ending June 30,	2006 Pension Obligation Bond		Lease Liability	
	Principal	Interest	Principal	Interest
2023	\$ 215,586	\$ 379,414	\$ 24,960	\$ 1,236
2024	207,790	402,210	24,203	757
2025	203,321	431,679	23,456	268
2026	195,585	454,415	-	-
2027	191,228	483,773	-	-
2028-2032	879,366	2,840,634	-	-
2033-2036	620,009	2,819,990	-	-
<b>Total</b>	<b>\$ 2,512,885</b>	<b>\$ 7,812,115</b>	<b>\$ 72,619</b>	<b>\$ 2,261</b>
Due within one year	\$ 215,586	\$ 379,414	\$ 24,960	\$ 1,236
Due after one year	2,297,299	7,432,701	47,659	1,025
<b>Total</b>	<b>\$ 2,512,885</b>	<b>\$ 7,812,115</b>	<b>\$ 72,619</b>	<b>\$ 2,261</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.

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 July 1, 2021	Additions	Retirements	Balance June 30, 2022	Current Portion	
General Administration	\$ 68,816	\$ 80,145	\$ (68,476)	\$ 80,485	\$ 7,581	A
Public Safety	562,698	510,778	(474,464)	599,012	64,753	A
Public Services	158,368	129,609	(88,169)	199,808	16,383	B
Recreation	149,683	36,578	(127,080)	59,181	6,062	B
Community Development	6,032	8,749	(9,342)	5,439	2,006	B
<b>Total</b>	<b>\$ 945,597</b>	<b>\$ 765,859</b>	<b>\$ (767,531)</b>	<b>\$ 943,925</b>	<b>\$ 96,785</b>	

The following funds have been used to liquidate compensated absences:

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

**B. Business-type Activities**

The following is a summary of changes in the City's long-term liabilities related to business-type activities for the fiscal year ended June 30, 2022.

	Balance June 30, 2021	Addition	Retirements	Balance June 30, 2022	Current Portion
<b>Business-type Activity Debt:</b>					
2016 Wastewater Revenue Refunding Bond	\$ 6,650,000	\$ -	\$ (329,000)	\$ 6,321,000	\$ 341,000
2016 Clean Water State Revolving Fund	24,773,976	-	(668,027)	24,105,949	679,383
Compensated Absences	110,327	152,302	(119,392)	143,237	16,017
<b>Total Business-Type Activity Debt</b>	<b>\$ 31,534,303</b>	<b>\$ 152,302</b>	<b>\$ (1,116,419)</b>	<b>\$ 30,570,186</b>	<b>\$ 1,036,400</b>

A description of the long-term liabilities related to business-type activities at June 30, 2022 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
2023	\$ 341,000	\$ 181,440
2024	347,000	171,292
2025	362,000	160,834
2026	372,000	150,008
2027	381,000	138,901
2028-2032	2,089,000	516,029
2033-2037	2,429,000	183,564
Total	<u>\$ 6,321,000</u>	<u>\$ 1,502,068</u>
Due within one year	\$ 341,000	\$ 181,440
Due after one year	5,980,000	1,320,628
Total	<u>\$ 6,321,000</u>	<u>\$ 1,502,068</u>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**8. 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, 2022, the total debt outstanding on the loan is \$24,105,949. The table below includes future debt service requirements related to this amount.

Year Ending June 30,	2016 Clean Water State Revolving	
	Principal	Interest
2023	\$ 679,383	\$ 409,801
2024	690,932	398,252
2025	702,678	386,506
2026	714,624	374,560
2027	726,772	362,412
2028-2032	3,823,443	1,622,477
2033-2037	4,159,675	1,286,245
2038-2042	4,525,475	920,445
2043-2047	4,923,443	522,477
2048-2050	3,159,524	108,027
<b>Total</b>	<b>\$ 24,105,949</b>	<b>\$ 6,391,202</b>
Due within one year	\$ 679,383	\$ 409,801
Due after one year	23,426,566	5,981,401
<b>Total</b>	<b>\$ 24,105,949</b>	<b>\$ 6,391,202</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 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, 2022 are as follows:

	Balance	Additions	Retirements	Balance	Current
	July 1, 2021			June 30, 2022	Portion
Wastewater Utility Fund	\$ 110,327	\$ 152,302	\$ (119,392)	\$ 143,237	\$ 16,017
<b>Total</b>	<b>\$ 110,327</b>	<b>\$ 152,302</b>	<b>\$ (119,392)</b>	<b>\$ 143,237</b>	<b>\$ 16,017</b>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**9. INTERFUND TRANSACTIONS**

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

Transfers between funds during the fiscal year ended June 30, 2022 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	\$ 197,184
General Fund	Capital Projects Fund	Funding for projects	500,000
General Fund	Recreation Fund	Recreation operating contributions	950,998
General Fund	Building & Planning Fund	Building fund operating contributions	481,051
		Total	<u>\$ 2,129,233</u>

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.

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

These balances represent short term loans between funds which are expected to be reimbursed within one year. The composition of due to/from balances at June 30, 2022 consisted of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
Governmental Activities		
General Fund	\$ 724,358	\$ -
Non-Major Funds	-	724,358
Total Governmental Funds	<u>\$ 724,358</u>	<u>\$ 724,358</u>

**10. 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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

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

The rate plan provisions and benefits in effect for the year ended June 30, 2022, 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	7.96%	6.750%
Required employer contribution rates*	12.200%	7.590%
Required UAL payment	\$ 1,131,835	\$ 5,154
	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	8.99%	13.00%
Required employer contribution rates	21.790%	13.130%
Required UAL payment (Police)	\$ 1,537,025	\$ 2,808
		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)*		13.130%
Required UAL payment (Police)		\$ 8,296

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

The City's Net Pension liability is generally liquidated by the general fund and wastewater fund.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

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

The City's contribution to the Plan for the measurement period ended June 30, 2021, were \$3,789,111

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

As of June 30, 2022, the City reported net pension liability for its proportionate share of the net pension liability of the Plan of \$23,635,060.

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, 2021, 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, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of measurement date June 30, 2020 and 2021 was as follows:

Proportion - June 30, 2020	0.33728 %
Proportion - June 30, 2021	<u>0.43702 %</u>
Change - Increase (Decrease)	0.09974 %

For the year ended June 30, 2022, the City recognized pension expense of \$8,159,509. At June 30, 2022, 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	\$ 4,275,635	\$ -
Differences between actual and expected experience	3,396,878	-
Net differences between projected and actual earnings on plan investments	-	17,100,676
Change in employer's proportion	389,864	-
Differences between actual contributions and proportionate share of contributions	-	1,675,908
Total	<u>\$ 8,062,377</u>	<u>\$ 18,776,584</u>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

\$4,275,635 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, 2023. 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:	_____
2023	\$ (3,058,240)
2024	(3,340,338)
2025	(3,874,315)
2026	(4,716,949)

Actuarial Assumptions- The total pension liabilities for the measurement date June 30, 2021 were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
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, 2021.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

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

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

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%	77.00%	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	100%		

<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.

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	\$ 41,158,063
Current Discount Rate	7.15%
Net Pension Liability	\$ 23,635,060
1% Increase	8.15%
Net Pension Liability	\$ 9,204,864

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, 2022, the City reported \$0 for outstanding amounts of contributions for the CalPERS Cost Sharing Multiple-Employer Plan.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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**11. 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, 2022, the City had 112 retired employees. The City currently has 97 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	99
Inactive entitled to but not yet receiving benefits	13
Active employees	97
Total	<u>209</u>

*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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

**D. Total OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2021. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement date.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	2.16% - Bond Buyer 20-Bond Index
Inflation	2.5% annually
Salary Increases	2.8% - Aggregated
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Mortality Improvement	Based on CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021 for Public Agency Miscellaneous, Police, and Fire members.
Healthcare cost trend rates	Based on 2021 Getzen model that reflects actual premium increases from 2021 to 20222 followed by 5.75% non-Medicare / 5.40% Medicare in 2022, decreasing gradually to an ultimate rate of 4.04% by 2075

**E. Discount Rate**

The discount rate used to measure the total OPEB liability was 2.16%. 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, 2021 (Measurement date June 30, 2020)	\$ 46,512,235
Changes in the year:	
Service cost	2,241,980
Interest on the total pension liability	1,063,633
Differences between actual and expected experience	(4,050,407)
Changes in assumptions	(270,144)
Benefit payments	(1,258,835)
Net changes	(2,273,773)
Balance at June 30, 2022 (Measurement date June 30, 2021)	\$ 44,238,462

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

*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 - 1.16%	
Total OPEB liability	\$ 53,330,094
Current Discount Rate - 2.16%	
Total OPEB liability	\$ 44,238,462
1% Increase - 3.16%	
Total OPEB liability	\$ 37,311,255

*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	\$ 36,871,189
Current Healthcare Trend Rate	
Total OPEB liability	\$ 44,238,462
1% Increase	
Total OPEB liability	\$ 53,940,641

**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)

The City’s total OPEB liability is generally liquidated by the general fund and wastewater fund.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$2,783,583. For the fiscal year ended June 30, 2022, 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	\$ 1,283,772	\$ -
Changes in assumptions	6,548,212	1,097,613
Differences between expected and actual experience	-	4,480,457
Total	\$ 7,831,984	\$ 5,578,070

The \$1,283,772 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2023. 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
2023	\$ (102,761)
2024	468,740
2025	639,035
2026	685,219
2027	(720,091)

**12. FUND BALANCE**

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

The 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.

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**12. FUND BALANCE, Continued**

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.

As of June 30, 2022, fund balances consisted of the following:

	General Fund	Housing Programs	Nonmajor Governmental Funds	Total
Fund Balances				
<b>Nonspendable fund balance:</b>				
Inventory	\$ 31,965	\$ -	\$ -	\$ 31,965
Prepaid items and supplies	13,331	-	315,552	328,883
Total Nonspendable	<u>45,296</u>	<u>-</u>	<u>315,552</u>	<u>360,848</u>
<b>Restricted fund balance for:</b>				
Housing Redevelopment	-	7,746,133	-	7,746,133
Real estate maintenance	164,881	-	-	164,881
Police	-	-	1,209,961	1,209,961
Growth impact	-	-	2,701,825	2,701,825
Gas Tax	-	-	729,304	729,304
Measure C	-	-	2,009,896	2,009,896
Refuse Management	-	-	150,843	150,843
Capital projects	-	-	331,724	331,724
Solid Waste	-	-	2,063,224	2,063,224
CASP Certification	-	-	35,590	35,590
Rate Stabilization	-	-	199,959	199,959
Adjudicated Asset Seizure	-	-	57,575	57,575
Pension Fund	17,106,937	-	-	17,106,937
Total Restricted	<u>17,271,818</u>	<u>7,746,133</u>	<u>9,489,901</u>	<u>34,507,852</u>
<b>Assigned fund balance for:</b>				
Capital projects	-	-	2,062,012	2,062,012
General reserve	8,192,602	-	-	8,192,602
Emergency reserve	100,000	-	-	100,000
Equipment reserve	241,166	-	-	241,166
Police	-	-	2,180	2,180
Recreation	-	-	5,488	5,488
Total Assigned fund balance	<u>8,533,768</u>	<u>-</u>	<u>2,069,680</u>	<u>10,603,448</u>
<b>Unassigned fund balance</b>				
Minimum fund balance reserve	9,405,968	-	(600,971)	8,804,997
	<u>9,405,968</u>	<u>-</u>	<u>(600,971)</u>	<u>8,804,997</u>
<b>Total Fund Balances</b>	<u>\$ 35,256,850</u>	<u>\$ 7,746,133</u>	<u>\$ 11,274,162</u>	<u>\$ 54,277,145</u>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**13. RISK MANAGEMENT**

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

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

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

Type of Coverage (Deductible)	Coverage Limits
Liability (\$25,000) including errors and omissions for Public Officials	\$ 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, 2022, the City contributed \$1,337,703 for coverage.

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

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

As of June 30, 2022, the following funds had a fund deficit:

Fund	Deficit
Parkland dedication	\$ (22,653)
Storm water	\$ (38,938)
Cable TV	\$ (5,227)
Building and Planning	\$ (532,755)
Development Services	\$ (1,398)

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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

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

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

**A. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance June 30, 2021	Additions	Retirements	Balance June 30, 2022
<b>Fiduciary Activities:</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 2,504,793	\$ -	\$ (75,000)	\$ 2,429,793
<b>Total assets not being depreciated</b>	<b>2,504,793</b>	<b>-</b>	<b>(75,000)</b>	<b>2,429,793</b>
<b>Capital assets being depreciated:</b>				
Buildings and improvements	9,478,371	-	(284,759)	9,193,612
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>13,095,855</b>	<b>-</b>	<b>(284,759)</b>	<b>12,811,096</b>
<b>Accumulated depreciation:</b>				
Buildings and improvements	3,518,053	193,566	(191,755)	3,519,864
Streets and roads	1,500,084	57,438	-	1,557,522
Bridges	89,981	9,278	-	99,259
Parks	159,935	-	-	159,935
<b>Total accumulated depreciation</b>	<b>5,268,053</b>	<b>260,282</b>	<b>(191,755)</b>	<b>5,336,580</b>
<b>Net depreciable assets</b>	<b>7,827,802</b>	<b>(260,282)</b>	<b>(93,004)</b>	<b>7,474,516</b>
<b>Total fiduciary activities capital assets, net</b>	<b>\$ 10,332,595</b>	<b>\$ (260,282)</b>	<b>\$ (168,004)</b>	<b>\$ 9,904,309</b>

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

**15. 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, 2022:

	Balance July 1, 2021	Addition	Retirements	Balance June 30, 2022	Current Portion
<b>Tax Allocation Bonds:</b>					
2015 Series A Bonds	\$ 11,915,000	\$ -	\$ (4,125,000)	\$ 7,790,000	\$ 4,220,000
<b>Total long-term debt</b>	<b>\$ 14,950,000</b>	<b>\$ -</b>	<b>\$ (4,125,000)</b>	<b>\$ 7,790,000</b>	<b>\$ 4,220,000</b>

A description of the long-term liabilities related to fiduciary activities at June 30, 2022 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
2023	\$	4,220,000	\$ 128,936
2024		3,570,000	40,520
Total	<b>\$</b>	<b>7,790,000</b>	<b>\$ 169,456</b>

**16. CONTINGENCIES AND COMMITMENTS**

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

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

**City of Pinole**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2022**

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**17. PRIOR PERIOD ADJUSTMENTS**

The City record period adjustments to correct impact fees collections that should have been accounted in Growth Impact Fund but were instead accounted in Parkland Dedication Fund.

	Fund Balance, as Previously Reported at June 30, 2021	<u>Prior Period Adjustments</u> Cash & Investment	Fund Balance, as Restated at June 30, 2021
<i>Fund Financial Statements:</i>			
Non-Major Governmental Funds:			
Growth Impact Fund	\$ 141,492	118,507	\$ 259,999
Parkland Dedication Fund	104,448	(118,507)	(14,059)
Total Non-Major Governmental Funds	<u>\$ 245,940</u>	<u>\$ -</u>	<u>\$ 245,940</u>

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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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 18,315,666	\$ 19,130,853	\$ 19,811,026	\$ 680,173
Intergovernmental revenues	87,026	87,026	60,784	(26,242)
Contributions	-	-	5,000	5,000
Investment earnings	150,000	150,000	(2,632,879)	(2,782,879)
Rents and ground leases	126,712	126,712	96,516	(30,196)
Charges for services	1,487,365	1,487,365	1,669,964	182,599
Fines, forfeitures and penalties	22,050	22,050	10,411	(11,639)
Other revenues	23,774	23,774	49,648	25,874
<b>Total revenues</b>	<b>20,212,593</b>	<b>21,027,780</b>	<b>19,070,470</b>	<b>(1,957,310)</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	3,845,907	4,006,512	3,777,341	229,171
Public safety	14,604,316	14,689,107	14,837,394	(148,287)
Public works	1,937,649	1,964,928	1,330,703	634,225
Recreation	427,025	427,025	253,414	173,611
Community development	389,885	403,885	263,181	140,704
Capital outlay	3,308,039	4,080,481	813,040	3,267,441
Debt service:				
Principal	221,565	221,565	244,820	(23,255)
Interest and fiscal charges	354,542	354,542	388,876	(34,334)
<b>Total expenditures</b>	<b>25,088,928</b>	<b>26,148,045</b>	<b>21,908,769</b>	<b>4,239,276</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(4,876,335)</b>	<b>(5,120,265)</b>	<b>(2,838,299)</b>	<b>2,281,966</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of asset	601,000	601,000	257,182	(343,818)
Transfers out	(1,333,455)	(2,270,197)	(2,129,233)	140,964
<b>Total other financing sources (uses)</b>	<b>121,231</b>	<b>538,423</b>	<b>(1,872,051)</b>	<b>(2,410,474)</b>
<b>Net change in fund balances</b>	<b>\$ (4,755,104)</b>	<b>\$ (4,581,842)</b>	<b>(4,710,350)</b>	<b>\$ (128,508)</b>
<b>FUND BALANCES:</b>				
Beginning of year			39,967,200	
End of year			<u>\$ 35,256,850</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Loan Repayments	\$ 1,683,692	\$ 1,683,692	\$ 11,658	\$ (1,672,034)
Investment earnings	50,000	50,000	(44,948)	(94,948)
Other revenues	-	-	41,492	41,492
<b>Total revenues</b>	<b>1,733,692</b>	<b>1,733,692</b>	<b>8,202</b>	<b>(1,725,490)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	228,798	228,798	97,581	131,217
<b>Total expenditures</b>	<b>228,798</b>	<b>228,798</b>	<b>97,581</b>	<b>131,217</b>
<b>Net change in fund balances</b>	<b>\$ 1,504,894</b>	<b>\$ 1,504,894</b>	<b>(89,379)</b>	<b>\$ (1,594,273)</b>
<b>FUND BALANCES:</b>				
Beginning of year			7,835,512	
End of year			<u>\$ 7,746,133</u>	

# City of Pinole

## Notes to Required Supplementary

### Information For the year ended June 30, 2022

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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, 2022

## 2. DEFINED BENEFIT PENSION PLAN

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

Fiscal year:	2022	2021	2020	2019	2018	2017	2016	2015
Measurement date:	6/30/2021	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	0.43702%	0.33728%	0.33097%	0.32602%	0.31631%	0.31346%	0.30817%	0.30594%
Proportionate share of the net pension liability	\$ 23,635,060	\$ 36,697,363	\$ 33,914,595	\$ 31,416,057	\$ 31,369,644	\$ 27,123,752	\$ 21,152,634	\$ 18,565,336
Covered payroll	\$ 9,515,674	\$ 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	248.38%	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	88.29%	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	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 4,275,635	\$ 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	\$ 4,275,635	\$ 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	\$ 10,540,843	\$ 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	40.56%	39.82%	37.50%	34.01%	30.03%	27.49%	20.47%	19.12%

**Note to Schedule**

Valuation date:\*\* 6/30/2020 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	6/30/2019
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 PEPRA 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, 2022

### 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>Fiscal Year:</i>	2022	2021	2020	2019	2018
<i>Measurement Period</i>	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Total OPEB Liability</b>					
Service Cost	\$ 2,241,980	\$ 1,615,428	\$ 1,227,488	\$ 1,274,335	\$ 1,472,000
Interest on the total OPEB liability	1,063,633	1,308,423	1,391,794	1,298,734	1,128,000
Differences between expected and actual experience	(4,050,407)	-	(2,333,030)	-	-
Changes of assumptions	(270,144)	8,431,861	1,956,937	(1,655,481)	(4,636,000)
Benefit payments, including refunds of employee contributions	(1,258,835)	(1,223,092)	(1,199,486)	(1,169,676)	(986,000)
<b>Net change in total OPEB liability</b>	<b>(2,273,773)</b>	<b>10,132,620</b>	<b>1,043,703</b>	<b>(252,088)</b>	<b>(3,022,000)</b>
<b>Total OPEB liability - beginning</b>	<b>46,512,235</b>	<b>36,379,615</b>	<b>35,335,912</b>	<b>35,588,000</b>	<b>38,610,000</b>
<b>Total OPEB liability - ending</b>	<b>\$ 44,238,462</b>	<b>\$ 46,512,235</b>	<b>\$ 36,379,615</b>	<b>\$ 35,335,912</b>	<b>\$ 35,588,000</b>
Covered-employee payroll	\$ 10,998,667	\$ 10,708,319	\$ 10,199,027	\$ 9,399,404	\$ 9,306,000
Total OPEB liability as a percentage of covered-employee payroll	402.22%	434.36%	356.70%	375.94%	382.42%

#### Notes to Schedule:

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

#### Change of assumptions:

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

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

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, 2022**

	Capital Projects Fund	Special Revenue Funds	
	Public Works Capital Projects	Growth Impact	Gas Tax
<b>ASSETS</b>			
Cash and investments	\$ 2,591,806	\$ 2,706,768	\$ 673,885
Accounts receivables	41,275	-	101,516
Prepaid and supplies	-	-	-
Lease receivables	-	-	-
<b>Total assets</b>	<b>\$ 2,633,081</b>	<b>\$ 2,706,768</b>	<b>\$ 775,401</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 156,830	\$ 4,943	\$ 46,097
Unearned revenue	-	-	-
Deposits payable	-	-	-
Due to other funds	82,515	-	-
<b>Total liabilities</b>	<b>239,345</b>	<b>4,943</b>	<b>46,097</b>
<b>Deferred inflows of resources:</b>			
Lease receivables	-	-	-
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	331,724	2,701,825	729,304
Assigned	2,062,012	-	-
Unassigned	-	-	-
<b>Total fund balances</b>	<b>2,393,736</b>	<b>2,701,825</b>	<b>729,304</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 2,633,081</b>	<b>\$ 2,706,768</b>	<b>\$ 775,401</b>

Special Revenue Funds

Parkland Dedication	Measure C	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police
\$ -	\$ 2,014,927	\$ -	\$ 140,811	\$ 60,459	\$ 1,146,114
-	-	91,417	10,032	-	66,027
-	315,552	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 2,330,479</u>	<u>\$ 91,417</u>	<u>\$ 150,843</u>	<u>\$ 60,459</u>	<u>\$ 1,212,141</u>
\$ -	\$ 5,031	\$ -	\$ -	\$ 2,884	\$ -
-	-	-	-	-	-
-	-	4,000	-	-	-
22,653	-	126,355	-	-	-
<u>22,653</u>	<u>5,031</u>	<u>130,355</u>	<u>-</u>	<u>2,884</u>	<u>-</u>
-	-	-	-	-	-
-	315,552	-	-	-	-
-	2,009,896	-	150,843	57,575	1,209,961
-	-	-	-	-	2,180
(22,653)	-	(38,938)	-	-	-
<u>(22,653)</u>	<u>2,325,448</u>	<u>(38,938)</u>	<u>150,843</u>	<u>57,575</u>	<u>1,212,141</u>
<u>\$ -</u>	<u>\$ 2,330,479</u>	<u>\$ 91,417</u>	<u>\$ 150,843</u>	<u>\$ 60,459</u>	<u>\$ 1,212,141</u>

**City of Pinole**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	Special Revenue Funds		
	Cable TV	Recreation	Building & Planning
<b>ASSETS</b>			
Cash and investments	\$ -	\$ 46,915	\$ -
Accounts receivables	50,990	9,079	237,650
Prepaid and supplies	-	-	-
Due from other funds	-	11,386	-
<b>Total assets</b>	<b>\$ 50,990</b>	<b>\$ 67,380</b>	<b>\$ 237,650</b>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>Liabilities:</b>			
Accounts payable and accrued liabilities	\$ 376	\$ 44,053	\$ 296,243
Unearned revenue	6,524	-	-
Deposits payable	-	7,040	30,644
Due to other funds	49,317	-	443,518
<b>Total liabilities</b>	<b>56,217</b>	<b>51,093</b>	<b>770,405</b>
<b>Deferred inflows of resources:</b>			
Lease receivables	-	10,799	-
<b>Fund Balances:</b>			
Nonspendable	-	-	-
Restricted	-	-	-
Assigned	-	5,488	-
Unassigned	(5,227)	-	(532,755)
<b>Total fund balances</b>	<b>(5,227)</b>	<b>5,488</b>	<b>(532,755)</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 50,990</b>	<b>\$ 67,380</b>	<b>\$ 237,650</b>

Special Revenue Funds					Total
Development Services	Solid Waste Fund	CASP Certification & Training	Rate Stabilization	American Rescue Plan Act Fund	Nonmajor Governmental Funds
\$ 85,305	\$ 1,961,088	\$ 35,657	\$ 199,959	\$ 1,811,408	\$ 13,475,102
-	103,941	24	-	-	711,951
-	-	-	-	-	315,552
-	-	-	-	-	11,386
<u>\$ 85,305</u>	<u>\$ 2,065,029</u>	<u>\$ 35,681</u>	<u>\$ 199,959</u>	<u>\$ 1,811,408</u>	<u>\$ 14,513,991</u>
\$ 7,582	\$ 1,805	\$ 91	\$ -	\$ 42,509	\$ 608,444
-	-	-	-	1,768,899	1,775,423
79,121	-	-	-	-	120,805
-	-	-	-	-	724,358
<u>86,703</u>	<u>1,805</u>	<u>91</u>	<u>-</u>	<u>1,811,408</u>	<u>3,229,030</u>
-	-	-	-	-	10,799
-	-	-	-	-	315,552
-	2,063,224	35,590	199,959	-	9,489,901
-	-	-	-	-	2,069,680
(1,398)	-	-	-	-	(600,971)
<u>(1,398)</u>	<u>2,063,224</u>	<u>35,590</u>	<u>199,959</u>	<u>-</u>	<u>11,274,162</u>
<u>\$ 85,305</u>	<u>\$ 2,065,029</u>	<u>\$ 35,681</u>	<u>\$ 199,959</u>	<u>\$ 1,811,408</u>	<u>\$ 14,513,991</u>

# City of Pinole

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

### Nonmajor Governmental Funds

For the year ended June 30, 2022

	Capital Projects Fund	Special Revenue Funds	
	Public Works Capital Projects	Growth Impact	Gas Tax
<b>REVENUES:</b>			
Taxes and assessments	\$ 49,768	\$ -	\$ -
Intergovernmental revenues	666,243	-	850,633
Contributions	-	-	-
Investment earnings	(286)	(10,747)	(5,932)
Rents and ground leases	-	-	-
Charges for services	-	2,452,573	-
Fines, forfeitures and penalties	160	-	-
Other revenues	-	-	18,050
<b>Total revenues</b>	<b>715,885</b>	<b>2,441,826</b>	<b>862,751</b>
<b>EXPENDITURES:</b>			
Current:			
General administration	-	-	-
Public safety	-	-	-
Public works	43,267	-	470,394
Recreation	-	-	-
Community development	-	-	-
Capital outlay	1,598,963	-	19,570
<b>Total expenditures</b>	<b>1,642,230</b>	<b>-</b>	<b>489,964</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(926,345)</b>	<b>2,441,826</b>	<b>372,787</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of asset	-	-	-
Transfers in	500,000	-	-
<b>Total other financing sources (uses)</b>	<b>500,000</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(426,345)</b>	<b>2,441,826</b>	<b>372,787</b>
<b>FUND BALANCES:</b>			
Beginning of year, as restated	2,820,081	259,999	356,517
End of year	<u>\$ 2,393,736</u>	<u>\$ 2,701,825</u>	<u>\$ 729,304</u>

Special Revenue Funds

Parkland Dedication	Measure C	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police
\$ -	\$ -	\$ 255,408	\$ -	\$ -	\$ 265,501
-	470,247	-	66,826	-	161,285
-	-	-	-	-	-
(8,594)	(23,258)	883	(1,769)	(766)	(11,856)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	28,821
-	-	-	-	-	-
<u>(8,594)</u>	<u>446,989</u>	<u>256,291</u>	<u>65,057</u>	<u>(766)</u>	<u>443,751</u>
-	49,664	-	-	-	-
-	-	-	-	29,000	277,565
-	128,654	297,082	106,591	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	406	-	-	-	-
<u>-</u>	<u>178,724</u>	<u>297,082</u>	<u>106,591</u>	<u>29,000</u>	<u>277,565</u>
<u>(8,594)</u>	<u>268,265</u>	<u>(40,791)</u>	<u>(41,534)</u>	<u>(29,766)</u>	<u>166,186</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(8,594)</u>	<u>268,265</u>	<u>(40,791)</u>	<u>(41,534)</u>	<u>(29,766)</u>	<u>166,186</u>
<u>(14,059)</u>	<u>2,057,183</u>	<u>1,853</u>	<u>192,377</u>	<u>87,341</u>	<u>1,045,955</u>
<u>\$ (22,653)</u>	<u>\$ 2,325,448</u>	<u>\$ (38,938)</u>	<u>\$ 150,843</u>	<u>\$ 57,575</u>	<u>\$ 1,212,141</u>

# City of Pinole

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

### Nonmajor Governmental Funds

For the year ended June 30, 2022

	Special Revenue Funds		
	Cable TV	Recreation	Building & Planning
<b>REVENUES:</b>			
Taxes and assessments	\$ 21,934	\$ -	\$ -
Intergovernmental revenues	-	-	-
Contributions	-	5,574	-
Investment earnings	1,297	5,545	3,072
Rents and ground leases	-	24,625	-
Charges for services	216,836	330,704	902,764
Fines, forfeitures and penalties	-	-	-
Other revenues	-	1,972	-
<b>Total revenues</b>	<b>240,067</b>	<b>368,420</b>	<b>905,836</b>
<b>EXPENDITURES:</b>			
Current:			
General administration	414,638	-	-
Public safety	-	-	-
Public works	-	-	-
Recreation	-	1,319,669	-
Community development	-	-	1,782,386
Capital outlay	24,709	45,595	2,943
<b>Total expenditures</b>	<b>439,347</b>	<b>1,365,264</b>	<b>1,785,329</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(199,280)</b>	<b>(996,844)</b>	<b>(879,493)</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of asset	-	22,172	-
Transfers in	197,184	950,998	481,051
<b>Total other financing sources (uses)</b>	<b>197,184</b>	<b>973,170</b>	<b>481,051</b>
<b>Net change in fund balances</b>	<b>(2,096)</b>	<b>(23,674)</b>	<b>(398,442)</b>
<b>FUND BALANCES:</b>			
Beginning of year, as restated	(3,131)	29,162	(134,313)
End of year	\$ (5,227)	\$ 5,488	\$ (532,755)

Special Revenue Funds					Total
Development Services	Solid Waste Fund	CASP Certification & Training	Rate Stabilization	American Rescue Plan Act Fund	Nonmajor Funds Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 592,611
-	28,327	-	-	533,606	2,777,167
-	-	-	-	-	5,574
(962)	(20,738)	-	(2,216)	-	(76,327)
-	-	-	-	-	24,625
-	-	8,173	-	-	3,911,050
-	-	-	-	-	28,981
-	386,514	-	17,499	-	424,035
(962)	394,103	8,173	15,283	533,606	7,687,716
-	-	-	-	533,606	997,908
-	-	-	-	-	306,565
-	71,960	-	-	-	1,117,948
-	-	-	-	-	1,319,669
-	-	-	-	-	1,782,386
-	122,281	-	-	-	1,814,467
-	194,241	-	-	533,606	7,338,943
(962)	199,862	8,173	15,283	-	348,773
-	-	-	-	-	22,172
-	-	-	-	-	2,129,233
-	-	-	-	-	2,151,405
(962)	199,862	8,173	15,283	-	2,500,178
(436)	1,863,362	27,417	184,676	-	8,773,984
<u>\$ (1,398)</u>	<u>\$ 2,063,224</u>	<u>\$ 35,590</u>	<u>\$ 199,959</u>	<u>\$ -</u>	<u>\$ 11,274,162</u>

# 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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 54,768	\$ 54,768	\$ 49,768	\$ (5,000)
Intergovernmental revenues	-	289,594	666,243	376,649
Investment earnings	-	-	(286)	(286)
Rents and ground leases	15,000	15,000	-	(15,000)
Fines, forfeitures and penalties	-	-	160	160
Other revenues	7,500	7,500	-	(7,500)
<b>Total revenues</b>	<b>77,268</b>	<b>366,862</b>	<b>715,885</b>	<b>349,023</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	71,160	71,160	43,267	27,893
Capital outlay	2,366,269	2,613,269	1,598,963	1,014,306
<b>Total expenditures</b>	<b>2,437,429</b>	<b>2,684,429</b>	<b>1,642,230</b>	<b>1,042,199</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,360,161)</b>	<b>(2,317,567)</b>	<b>(926,345)</b>	<b>1,391,222</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>\$ (1,860,161)</b>	<b>\$ (1,817,567)</b>	<b>(426,345)</b>	<b>\$ 1,391,222</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,820,081	
End of year			<u>\$ 2,393,736</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ (10,747)	\$ (10,747)
Charges for services	229,834	229,834	2,452,573	2,222,739
<b>Total revenues</b>	<b>229,834</b>	<b>229,834</b>	<b>2,441,826</b>	<b>2,211,992</b>
<b>EXPENDITURES:</b>				
Capital outlay	258,000	243,070	-	243,070
<b>Total expenditures</b>	<b>258,000</b>	<b>243,070</b>	<b>-</b>	<b>243,070</b>
<b>Net change in fund balances</b>	<b>\$ (28,166)</b>	<b>\$ (13,236)</b>	<b>2,441,826</b>	<b>\$ 2,455,062</b>
<b>FUND BALANCES:</b>				
Beginning of year, as restated			259,999	
End of year			<u>\$ 2,701,825</u>	

# City of Pinole

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

### Gas Tax Special Revenue Fund

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 906,667	\$ 906,667	\$ 850,633	\$ (56,034)
Investment earnings	5,000	5,000	(5,932)	(10,932)
Other revenues	7,636	7,636	18,050	10,414
<b>Total revenues</b>	<b>919,303</b>	<b>919,303</b>	<b>862,751</b>	<b>(56,552)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	510,283	510,283	470,394	39,889
Capital outlay	564,445	564,445	19,570	544,875
<b>Total expenditures</b>	<b>1,074,728</b>	<b>1,074,728</b>	<b>489,964</b>	<b>584,764</b>
<b>Net change in fund balances</b>	<b>\$ (155,425)</b>	<b>\$ (155,425)</b>	<b>372,787</b>	<b>\$ 528,212</b>
<b>FUND BALANCES:</b>				
Beginning of year			356,517	
End of year			<b>\$ 729,304</b>	

# 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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ (8,594)	\$ (8,594)
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>(8,594)</u>	<u>(8,594)</u>
<b>EXPENDITURES:</b>				
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(8,594)</u>	<u>\$ (8,594)</u>
<b>FUND BALANCES:</b>				
Beginning of year, as restated			<u>(14,059)</u>	
End of year			<u>\$ (22,653)</u>	

# City of Pinole

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

### Measure C Special Revenue Fund

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 390,147	\$ 475,247	\$ 470,247	\$ (5,000)
Investment earnings	8,000	(3,152)	(23,258)	(20,106)
<b>Total revenues</b>	<b>398,147</b>	<b>472,095</b>	<b>446,989</b>	<b>(25,106)</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	48,930	48,930	49,664	(734)
Public works	150,259	150,259	128,654	21,605
Capital outlay	738,000	738,000	406	737,594
<b>Total expenditures</b>	<b>937,189</b>	<b>937,189</b>	<b>178,724</b>	<b>758,465</b>
<b>Net change in fund balances</b>	<b>\$ (539,042)</b>	<b>\$ (465,094)</b>	<b>268,265</b>	<b>\$ 733,359</b>
<b>FUND BALANCES:</b>				
Beginning of year			2,057,183	
End of year			\$ 2,325,448	

# 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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 323,978	\$ 323,978	\$ 255,408	\$ (68,570)
Investment earnings	150	150	883	733
<b>Total revenues</b>	<u>324,128</u>	<u>324,128</u>	<u>256,291</u>	<u>(67,837)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	<u>420,685</u>	<u>437,685</u>	<u>297,082</u>	<u>140,603</u>
<b>Total expenditures</b>	<u>420,685</u>	<u>437,685</u>	<u>297,082</u>	<u>140,603</u>
<b>Net change in fund balances</b>	<u>\$ (96,557)</u>	<u>\$ (113,557)</u>	<u>(40,791)</u>	<u>\$ 72,766</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>1,853</u>	
End of year			<u>\$ (38,938)</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 60,060	\$ 60,060	\$ 66,826	\$ 6,766
Investment earnings	6,000	6,000	(1,769)	(7,769)
<b>Total revenues</b>	<b>66,060</b>	<b>66,060</b>	<b>65,057</b>	<b>(1,003)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	140,858	140,858	106,591	34,267
<b>Total expenditures</b>	<b>140,858</b>	<b>140,858</b>	<b>106,591</b>	<b>34,267</b>
<b>Net change in fund balances</b>	<b>\$ (74,798)</b>	<b>\$ (74,798)</b>	<b>(41,534)</b>	<b>\$ 33,264</b>
<b>FUND BALANCES:</b>				
Beginning of year			192,377	
End of year			\$ 150,843	

# 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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ (766)	\$ (766)
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>(766)</u>	<u>(766)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	86,562	86,562	29,000	(57,562)
<b>Total expenditures</b>	<u>86,562</u>	<u>86,562</u>	<u>29,000</u>	<u>57,562</u>
<b>Net change in fund balances</b>	<u>\$ (86,562)</u>	<u>\$ (86,562)</u>	<u>(29,766)</u>	<u>\$ 56,796</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>87,341</u>	
End of year			<u>\$ 57,575</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 170,266	\$ 170,266	\$ 265,501	\$ 95,235
Intergovernmental revenues	156,727	156,727	161,285	4,558
Investment earnings	5,600	5,600	(11,856)	(17,456)
Fines, forfeitures and penalties	45,000	45,000	28,821	(16,179)
<b>Total revenues</b>	<b>377,593</b>	<b>377,593</b>	<b>443,751</b>	<b>66,158</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	321,523	321,523	277,565	43,958
Capital outlay	7,500	7,500	-	7,500
<b>Total expenditures</b>	<b>329,023</b>	<b>329,023</b>	<b>277,565</b>	<b>51,458</b>
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 48,570</b>	<b>\$ 48,570</b>	<b>166,186</b>	<b>\$ 117,616</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,045,955	
End of year			<u>\$ 1,212,141</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes and assessments	\$ 52,972	\$ 52,972	\$ 21,934	\$ (31,038)
Contributions	5,000	5,000	-	(5,000)
Investment earnings	-	-	1,297	1,297
Charges for services	316,956	316,956	216,836	(100,120)
<b>Total revenues</b>	<b>374,928</b>	<b>374,928</b>	<b>240,067</b>	<b>(134,861)</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	508,070	508,070	414,638	93,432
Capital outlay	62,696	62,696	24,709	37,987
<b>Total expenditures</b>	<b>570,766</b>	<b>570,766</b>	<b>439,347</b>	<b>131,419</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(195,838)</b>	<b>(195,838)</b>	<b>(199,280)</b>	<b>(3,442)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	160,124	197,184	197,184	-
<b>Total other financing sources (uses)</b>	<b>160,124</b>	<b>197,184</b>	<b>197,184</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (35,714)</b>	<b>\$ 1,346</b>	<b>(2,096)</b>	<b>\$ (3,442)</b>
<b>FUND BALANCES:</b>				
Beginning of year			(3,131)	
End of year			<u>\$ (5,227)</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Contributions	\$ 62,050	\$ 6,000	\$ 5,574	\$ (426)
Investment earnings	-	-	5,545	5,545
Rents and ground leases	69,250	23,457	24,625	1,168
Charges for services	385,778	262,170	330,704	68,534
Other revenues	2,844	3,638	1,972	(1,666)
<b>Total revenues</b>	<b>519,922</b>	<b>295,265</b>	<b>368,420</b>	<b>73,155</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation	1,529,462	1,373,900	1,319,669	54,231
Capital outlay	12,586	42,500	45,595	(3,095)
<b>Total expenditures</b>	<b>1,542,048</b>	<b>1,416,400</b>	<b>1,365,264</b>	<b>51,136</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,022,126)</b>	<b>(1,121,135)</b>	<b>(996,844)</b>	<b>124,291</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of asset	-	-	22,172	(22,172)
Transfers in	673,331	1,091,962	950,998	(140,964)
<b>Total other financing sources (uses)</b>	<b>673,331</b>	<b>1,091,962</b>	<b>973,170</b>	<b>(118,792)</b>
<b>Net change in fund balances</b>	<b>\$ (348,795)</b>	<b>\$ (29,173)</b>	<b>(23,674)</b>	<b>\$ 5,499</b>
<b>FUND BALANCES:</b>				
Beginning of year			29,162	
End of year			<u>\$ 5,488</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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ 205,000	\$ 205,000	\$ -	\$ (205,000)
Investment earnings	7,000	7,000	3,072	(3,928)
Charges for services	1,387,700	1,387,700	902,764	(484,936)
Other revenues	6,000	6,000	-	(6,000)
<b>Total revenues</b>	<b>1,605,700</b>	<b>1,605,700</b>	<b>905,836</b>	<b>(699,864)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	1,724,753	2,611,632	1,782,386	829,246
Capital outlay	3,000	3,000	2,943	57
<b>Total expenditures</b>	<b>1,727,753</b>	<b>2,614,632</b>	<b>1,785,329</b>	<b>829,303</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(122,053)</b>	<b>(1,008,932)</b>	<b>(879,493)</b>	<b>129,439</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	481,051	481,051	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>481,051</b>	<b>481,051</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (122,053)</b>	<b>\$ (527,881)</b>	<b>(398,442)</b>	<b>\$ 129,439</b>
<b>FUND BALANCES:</b>				
Beginning of year			(134,313)	
End of year			<u>\$ (532,755)</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, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ (962)	\$ (962)
<b>Total revenues</b>	-	-	(962)	(962)
<b>Net change in fund balances</b>	\$ -	\$ -	(962)	\$ (962)
<b>FUND BALANCES:</b>				
Beginning of year			(436)	
End of year			\$ (1,398)	

# 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, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ 28,327	\$ 28,327	\$ -
Investment earnings	8,000	8,000	(20,738)	(28,738)
Other revenues	360,000	360,000	386,514	26,514
<b>Total revenues</b>	<b>368,000</b>	<b>396,327</b>	<b>394,103</b>	<b>(2,224)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works	118,645	121,645	71,960	(49,685)
Capital outlay	642,800	642,800	122,281	520,519
<b>Total expenditures</b>	<b>761,445</b>	<b>764,445</b>	<b>194,241</b>	<b>570,204</b>
<b>Net change in fund balances</b>	<b>\$ (393,445)</b>	<b>\$ (368,118)</b>	<b>199,862</b>	<b>\$ 567,980</b>
<b>FUND BALANCES:</b>				
Beginning of year			1,863,362	
End of year			<u>\$ 2,063,224</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, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Charges for services	\$ -	\$ -	\$ 8,173	\$ 8,173
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>8,173</b>	<b>8,173</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>8,173</b>	<b>\$ 8,173</b>
<b>FUND BALANCES:</b>				
Beginning of year			27,417	
End of year			\$ 35,590	

# City of Pinole

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

### Rate Stabilization Fund

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Investment earnings	\$ -	\$ -	\$ (2,216)	\$ (2,216)
Other revenues	-	-	17,499	17,499
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>15,283</b>	<b>15,283</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>15,283</b>	<b>\$ 15,283</b>
<b>FUND BALANCES:</b>				
Beginning of year			184,676	
End of year			\$ 199,959	

# City of Pinole

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

### American Rescue Plan Act Fund

For the year ended June 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental revenues	\$ -	\$ 2,302,505	\$ 533,606	\$ (1,768,899)
<b>Total revenues</b>	<b>-</b>	<b>2,302,505</b>	<b>533,606</b>	<b>(1,768,899)</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	-	-	533,606	533,606
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>533,606</b>	<b>(533,606)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ 2,302,505</b>	<b>-</b>	<b>\$ (2,302,505)</b>
<b>FUND BALANCES:</b>				
Beginning of year			-	
End of year			\$ -	

**City of Pinole**  
**Section 115 Pension Fund Schedule**  
**(General Fund)**  
**June 30, 2022**

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	Section 115 * Pension Fund
<b>ASSETS</b>	
Restricted cash - Pension	\$ 17,106,978
<b>Total assets</b>	<u>\$ 17,106,978</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	
<b>Liabilities:</b>	
Due to general fund	\$ 1,061,757
<b>Total liabilities</b>	<u>1,061,757</u>
<b>FUND BALANCES</b>	
Restricted	16,045,221
<b>Total fund balances</b>	<u>16,045,221</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 17,106,978</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, 2022**

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	Section 115 * Pension Fund
<b>REVENUES:</b>	
Investment earnings	\$ (2,248,500)
<b>Total revenues</b>	<u>(2,248,500)</u>
<b>EXPENDITURES:</b>	
Current:	
General government	87,037
<b>Total expenditures</b>	<u>87,037</u>
<b>REVENUES OVER (UNDER)</b>	
<b>EXPENDITURES</b>	(2,335,537)
<b>OTHER FINANCING SOURCES (USES):</b>	
Transfers out	(1,061,736)
<b>Total other financing sources (uses)</b>	<u>(1,061,736)</u>
<b>Net change in fund balances</b>	(3,397,273)
<b>FUND BALANCES:</b>	
Beginning of year	19,442,494
End of year	<u>\$ 16,045,221</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, CA**

### **Statistical Section**

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*This part of the City of Pinole's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.*

#### **Contents**

##### **Financial Trends**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.*

##### **Revenue Capacity**

*These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its most significant revenue sources, primarily tax revenues.*

##### **Debt Capacity**

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

##### **Demographic and Economic Information**

*These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.*

##### **Operating Information**

*These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.*

**Sources:** *Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. The City implemented GASB Statement 34 in 2004; schedules presenting government-wide information include information beginning in that year.*

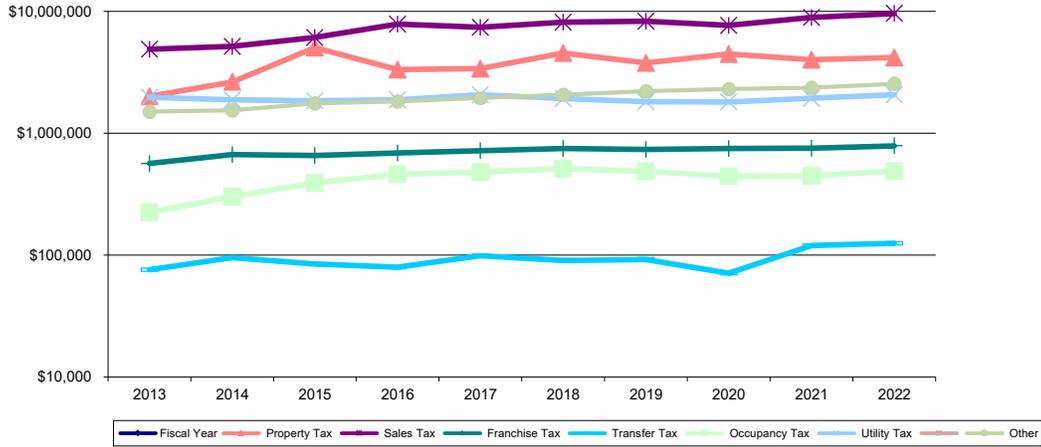
**CITY OF PINOLE**  
NET POSITION BY COMPONENT, Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 31,695,972
Restricted	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	34,342,971
Unrestricted	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)	(62,223,172)
Total governmental activities net position	\$ 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	\$ 13,815,771
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 12,863,679
Unrestricted	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	11,022,842
Total business-type activities net position	\$ 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	\$ 23,886,521
<b>Primary government</b>										
Net investment in capital assets	\$ 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	\$ 44,559,651
Restricted	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	34,342,971
Unrestricted	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)	(41,200,330)
Total primary government net position	\$ 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	\$ 37,702,292

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 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	\$ 5,539,414
Public safety	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	19,255,147
Public services	1,488,713	2,685,493	2,673,746	3,878,488	2,568,265	3,217,759	3,416,574	3,488,882	4,541,157	3,943,251
Recreation	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	1,878,342
Community development	654,535	779,147	833,061	1,184,385	1,065,848	1,642,031	2,338,177	1,365,580	1,275,333	2,271,609
Interest and fiscal changes	149,097	280,173	290,860	305,569	338,507	331,464	287,729	304,844	331,218	388,876
Total government activity expenses	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	33,276,639
Business-type activities:										
Wastewater utility	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	7,266,212
Total business-type activities expenses	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	7,266,212
Total primary government expenses	\$ 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	\$ 40,542,851
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
General government	\$ 286,722	\$ 502,094	\$ 590,359	\$ 236,512	\$ 354,357	\$ 648,409	\$ 643,524	\$ 678,065	\$ 686,519	\$ 2,106,826
Public safety	146,658	586,131	534,095	461,330	640,785	1,435,741	1,186,008	1,388,295	1,440,572	1,925,962
Public services	461,578	946,387	573,320	545,273	310,073	153,810	169,758	66,676	74,897	739,693
Recreation	927,758	1,195,728	998,792	871,497	783,783	846,822	770,397	501,860	172,486	379,374
Community development	1,083,517	527,441	668,863	244,449	162,634	1,153,907	2,368,209	736,346	503,324	902,764
Operating grants and contributions	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	2,020,534
Capital grants and contributions	755,433	640,884	1,068,087	1,094,371	1,262,813	--	--	--	--	712,728
Total governmental program revenues	4,609,728	5,425,004	5,634,574	4,917,888	3,741,829	15,721,770	7,274,108	5,161,971	4,672,853	8,787,881
Business-type activities:										
Charges for services:										
Wastewater utility	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	7,770,772
Capital grants and contributions	218,193	--	--	--	--	--	--	--	--	--
Total business-type program revenues	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	7,770,772
Total primary government program revenues	\$ 10,789,526	\$ 11,898,151	\$ 12,546,787	\$ 12,459,852	\$ 10,057,192	\$ 22,246,307	\$ 14,486,942	\$ 12,255,705	\$ 12,199,909	\$ 16,568,653
<b>Net (Expense)/Revenue</b>										
Net (Expense)/Revenue Governmental	\$ (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)	\$ (24,488,758)
Net (Expense)/Revenue Business-type	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	504,560
Total primary government net expense	\$ (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)	\$ (23,984,198)
<b>Change in Net Position</b>										
Governmental activities	\$ (1,887,090)	\$ (22,757,764)	\$ (4,193,825)	\$ (2,388,176)	\$ (32,933)	\$ 12,710,019	\$ 2,874,178	\$ (50,793)	\$ (785,272)	\$ (6,234,492)
Business-type activities	758,287	1,602,798	(2,037,223)	(2,246,079)	1,721,679	1,389,501	2,411,362	1,673,561	882,785	307,802
Total primary government	\$ (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	\$ (5,926,690)

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



Fiscal Year	(b)				(a)		(c)	Total
	Property Tax	Sales Tax	Franchise Tax	Transfer Tax	Occupancy Tax	Utility Tax	Other	
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
2022	4,182,262	9,613,625	788,146	124,946	487,687	2,063,773	2,550,587	19,811,026

(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)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Fund</b>										
Nonspendable	\$ 8,950,035	\$ 11,157	\$ -	\$ 7,275	\$ 6,712	\$ 12,669	\$ 13,178	\$ 463,067	\$ 18,782	\$ 45,296
Restricted	-	-	-	-	-	133,586	17,346,090	18,255,487	19,623,678	17,271,818
Assigned	2,209,430	2,899,585	1,030,000	-	-	2,531,677	2,531,677	7,672,065	7,836,178	8,533,768
Committed	12,599,292	-	-	-	-	-	-	579,257	-	-
Unassigned	(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	9,406,554
<b>Total General Fund</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>\$ 35,257,436</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 7,023,664	\$ 2,591,393	\$ -	\$ 2,591,393	\$ 6,882,968	\$ -	\$ -	\$ 315,552	\$ 315,552	\$ 315,552
Restricted	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	17,236,034
Assigned	1,340,327	783,083	3,661,477	-	-	2,366,429	2,800,614	2,751,350	2,526,571	2,069,680
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)	(600,971)
Capital project funds	933,006	(24,842)	(265,778)	-	-	-	-	-	-	-
Debt service funds	-	(3,018,401)	-	-	-	-	-	-	-	-
<b>Total all other governmental funds</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>	<b>\$ 19,020,295</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)*

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 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	\$ 20,403,637
Intergovernmental	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	2,837,951
Loan repayments	48,464	108,021	45,666	85,849	145,457	15,023	1,656,645	544,892	107,912	11,658
Contributions	174,153	94,032	51,313	65,317	146,112	30,595	22,746	24,889	14,274	10,574
Investment earnings	113,723	595,808	311,168	188,790	16,188	88,092	1,529,630	1,790,740	2,888,309	(2,754,154)
Rents and ground leases	301,537	273,435	284,301	224,952	300,441	303,618	274,153	185,594	131,335	121,141
Charges for service	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	5,581,014
Fines, forfeitures and penalties	50,170	60,734	58,863	41,564	48,442	75,670	89,911	68,576	41,236	39,392
Other revenues	405,411	137,713	778,737	365,857	532,173	834,086	746,909	709,677	541,679	515,174
Total revenues	16,757,110	18,799,039	22,865,284	23,438,859	21,516,539	24,714,360	26,977,908	25,786,373	27,081,820	26,766,387
<b>Expenditures</b>										
General administration	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	4,775,249
Public safety	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	15,143,959
Public services	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	2,448,651
Recreation	1,439,933	1,038,572	1,107,168	906,302	1,042,006	960,325	1,069,375	1,000,400	820,918	1,573,083
Community development	1,520,667	742,413	818,580	945,646	935,276	1,596,240	1,237,892	1,333,476	1,205,200	2,143,148
Debt service - Principal	334,287	381,144	373,007	369,177	363,151	361,674	356,117	301,709	227,389	244,820
Debt service - Interest	149,097	280,173	290,860	305,569	338,507	331,464	287,729	304,844	331,218	388,876
Capital outlay	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	2,627,507
Total expenditures	17,062,066	17,577,014	16,163,019	18,920,258	17,695,457	19,626,705	21,623,057	23,093,464	25,174,157	29,345,293
<b>Other financing sources (uses)</b>										
Bond, note and loan proceeds	-	458,000	-	-	-	-	-	-	-	-
Gain (loss) on sale of property	6,064	6,559	17,259	1,909	-	10,017,210	3,140	13,855	83,209	279,354
Transfers in	-	-	447,050	446,000	671,364	826,926	7,135,205	1,170,058	1,681,841	2,129,233
Transfers out	-	-	(447,050)	(446,000)	(671,364)	(826,926)	(7,135,205)	(1,170,058)	(1,681,841)	(2,129,233)
Transfers from enterprise fund	-	-	-	-	-	-	-	-	-	-
Extraordinary item	-	(22,634,276)	-	-	-	-	-	-	-	-
Total other financing sources	6,064	(22,169,717)	17,259	1,909	-	10,017,210	3,140	13,855	83,209	279,354
Net change in fund balance	\$ (298,892)	\$ (20,947,692)	\$ 6,719,524	\$ 4,520,510	\$ 3,821,082	\$ 15,104,865	\$ 5,357,991	\$ 2,706,764	\$ 1,990,872	\$ (2,299,552)
Debt service as a % of noncapital expenditures	3.0%	4.1%	4.2%	3.8%	4.0%	3.7%	3.2%	2.8%	2.5%	2.4%

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

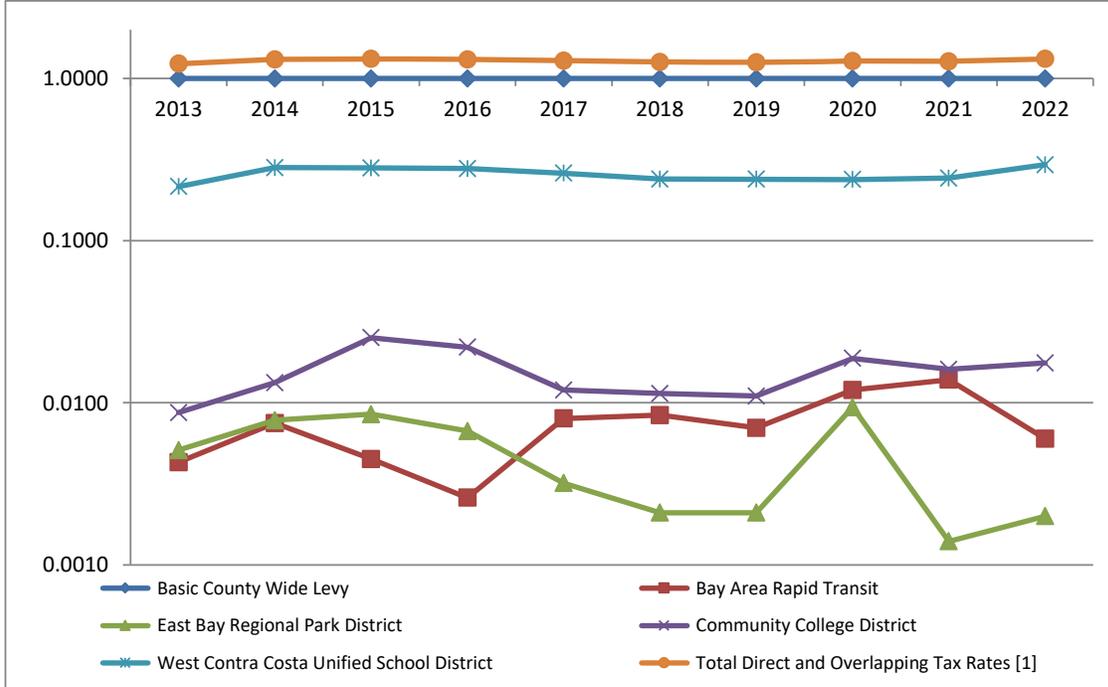
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct Tax Rate (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2013	\$ 1,260,099,385	\$ 336,541,044	\$ 2,554,690	\$ 32,245,615	\$ 1,631,440,734	\$ 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%
2022	2,243,018,566	523,349,776	25,857,496	20,790,834	2,813,016,672	56,076,525	2,869,093,197	3,409,630,355	0.1884%

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]
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
2022	1.0000	0.0060	0.0020	0.0176	0.2939	1.3195

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	2021-22		2012-13	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Che Chen and Shu Fen Liu Trust	\$ 23,521,935	0.84%	\$ 20,270,500	1.24%
Gateway Pinole Vista LLC	\$ 73,232,443	2.60%		
Fairfield Bayside LLC	\$ 39,073,423	1.39%		
Kaiser Foundation Health Plan	\$ 38,423,265	1.37%	\$ 33,112,015	2.03%
NHI-Reit of Next House LLC	\$ 18,526,252	0.66%		
Pinole Ridge Mall LLC	\$ 20,531,851	0.73%	\$ 1,127,127,418	69.09%
ROIC Pinole Vista LLC	\$ 39,368,313	1.40%	\$ 21,201,954	1.30%
SCG Pinole Valley Shopping Center	\$ 43,187,292	1.54%		
Target Corporation	\$ 20,005,538	0.71%		
Appian Associates			\$ 15,105,240	0.93%
Dayton Hudson Corporation			\$ 17,240,171	1.06%
KW Pinole			\$ 21,214,297	1.30%
Peter L. Thingpen			\$ 18,229,967	1.12%
Thomas Fitzgerald Trust	\$ 17,134,028	0.61%	\$ 11,843,777	0.73%
TKG Pinole LLC			\$ 60,138,399	3.69%
	<u>\$ 333,004,340</u>	<u>11.84%</u>	<u>\$ 1,345,483,738</u>	<u>82.47%</u>

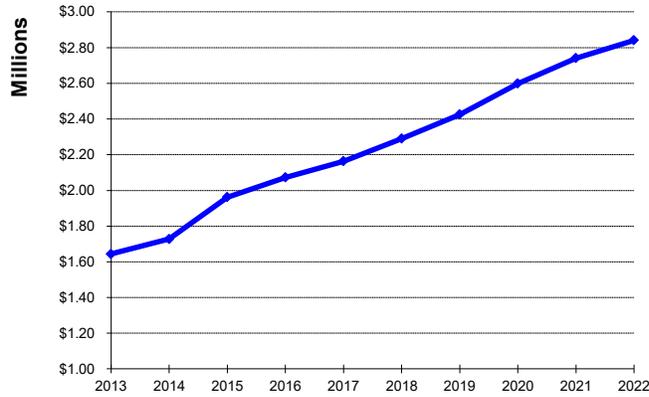
Total Net Assessed Valuation:

Fiscal Year 2021-22	\$ 2,813,016,672
Fiscal Year 2012-13	\$ 1,631,440,734

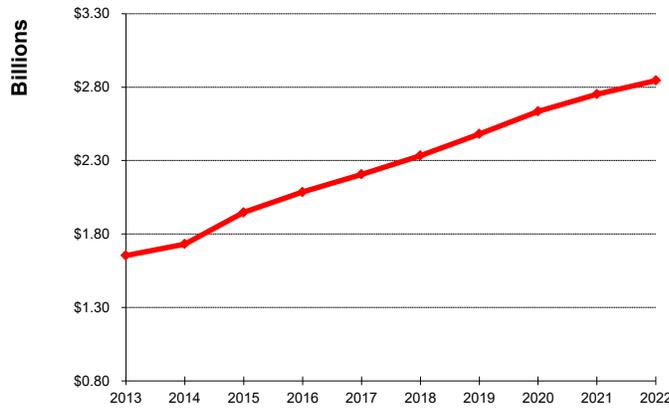
Source: Contra Costa County Assessor Combined Tax Rolls-HdL Coren & Cone reports.

Note: Information is shown in alphabetical order.

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



— Total Property Tax...



— Local Tax Rate Applied to...

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
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%
2022	2,736,121	104,569 [2]	2,840,690	100%	1,456,806,850	1,387,850,611	2,844,657,461	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**

	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Major Business Groups		[a]	[b]							
Autos and Transportation	\$ 127,938	\$ 124,234	\$ 128,585	\$ 143,531	\$ 142,634	\$ 129,758	\$ 149,328	\$ 125,285	\$ 131,364	\$ 145,204
Building and Construction	194,806	205,843	228,851	235,399	256,743	252,433	248,668	240,333	287,086	253,926
Business and Industry	114,078	90,046	74,621	74,664	69,064	68,148	81,173	80,562	66,279	79,061
Food and Drugs	327,071	332,824	369,426	354,347	366,064	376,151	408,251	422,665	467,507	435,658
Fuel and Service Stations	428,169	426,327	431,453	393,583	355,390	362,450	482,117	370,686	412,186	596,460
General Consumer Goods	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	1,333,100
Restaurants and Hotels	576,500	618,795	660,763	711,659	715,966	715,885	813,411	724,290	741,032	936,053
Adjustments & Others	-	35,173	(50,925)	24,448	-	506	5,972	1,211	484	5,260
Point of Sale s/totals	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	3,784,722
County Pool Allocations	311,692	366,939	408,386	431,500	499,708	490,660	519,400	747,782	927,704	861,541
State Pool Allocations	1,571	2,064	2,129	2,400	2,637	1,903	1,829	1,710	2,650	343
Local Transaction Tax [a]	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	5,041,168
Administrative Cost - SBE	(49,811)	(54,106)	(58,890)	(82,268)	(95,537)	(90,183)	(87,797)	(79,691)	(62,570)	(74,149)
Fiscal Year Totals	\$ 4,899,040	\$ 5,127,265	\$ 5,318,751	\$ 7,377,150	\$ 7,609,850	\$ 7,744,988	\$ 8,348,649	\$ 7,689,918	\$ 8,927,361	\$ 9,613,625
City Direct Sales Tax Rate	1.25%	1.25%	1.25%	1.75%	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**

Taxing Jurisdiction / Purpose	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2022-22
	[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%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State Education Protection Account	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County Health & Welfare Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[a] City/County Public Safety Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
County of Contra Costa Transactions and Use Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%
Contra Costa Transportation Authority	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Bay Area Rapid Transit	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
West County Transit Authority	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
<b>Overlapping Sales Taxes</b>	<b>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>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%	0.50%	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>1.75%</b>							
[d] Total Sales Tax Levy - City of Pinole	9.00%	9.00%	9.50%	9.50%	9.25%	9.25%	9.25%	9.25%	9.75%	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, 2022**

BUSINESS NAME	BUSINESS CATEGORY
7 ELEVEN	SERVICE STATIONS
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
MCDONALDS	QUICK-SERVICE RESTAURANTS
MICHAELS ARTS & CRAFTS	ART/GIFT/NOVELTY STORES
O'REILLY AUTO PARTS	AUTOMOTIVE SUPPLY STORES
ORIGINAL MELS DINER	QUICK-SERVICE RESTAURANTS
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
TARGET	DISCOUNT DEPARTMENT STORES
TJ MAXX	FAMILY APPAREL
TRADER JOES	GROCERY STORES
ULTA BEAUTY	SPECIALTY STORES
WESTLAKE ACE HARDWARE	BUILDING MATERIALS

**PERCENT OF FISCAL YEAR TOTAL PAID BY TOP 25 ACCOUNTS = 59.99%**

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	Wastewater Revenue Bonds	Capital Leases	Notes and Mortgages	Redevelopment Bonds			
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
2022	[a]	2,512,885	[a]	-	6,321,000	24,105,950	-	-	-	-	32,939,835	2.3%	\$ 1,768

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 Restricted Redevelopment Tax Increments	Total - Net of Bonds Paid with Restricted Tax Levies	Percentage of Taxable Value of Property	Per Capita
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
2022	[b]	2,512,885	-	2,512,885	0.17% [a]	135

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

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

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

Sources:

City Finance Department

Contra Costa County Office of the Auditor-Controller

**CITY OF PINOLE**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**JUNE 30, 2022**

2021-22 Assessed Valuation: \$ 2,869,093,197

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2022	[1] % Applicable	City's Share of Debt 6/30/22
Bay Area Rapid Transit District	\$ 2,521,570,000	0.322%	\$ 8,119,455
Contra Costa Community College District	598,780,000	1.230%	7,364,994
West Contra Costa Unified School District	1,244,985,065	7.939%	98,839,364
West Contra Costa Healthcare District Parcel Tax Obligations	44,580,000	7.488%	3,338,150
East Bay Regional Park District	184,590,000	0.515%	950,639
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>118,612,602</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Contra Costa County General Fund Obligations	\$ 224,500,000	1.226%	\$ 2,752,370
Contra Costa County Fire Protection Pension Obligations	10,900,000	0.011%	1,199
West Contra Costa Unified School District Certificates of Participation	6,005,000	7.939%	476,737
<b>City of Pinole Pension Obligation Bonds</b>	<b>2,512,884</b>	<b>100.000%</b>	<b>2,512,884</b>
Alameda-Contra Costa Transit District Certificates of Participation	11,655,000	0.033%	3,846
<b>GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 5,747,036</b>
Less: Contra Costa County obligations supported from revenue funds			707,318
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$ 5,039,718</b>
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	 \$ 7,790,000	 100.000%	 \$ 7,790,000
 <b>TOTAL DIRECT DEBT</b>			 <b>\$ 2,512,884</b>
<b>TOTAL GROSS OVERLAPPING DEBT</b>			<b>\$ 129,636,754</b>
<b>TOTAL NET OVERLAPPING DEBT</b>			<b>\$ 128,929,436</b>
 GROSS COMBINED TOTAL DEBT			 \$ 132,149,638 [2]
<b>NET COMBINED TOTAL DEBT</b>			<b>\$ 131,442,320</b>

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	4.13%
<b>Total Direct Debt (\$2,512,884).....</b>	<b>0.09%</b>
Gross Combined Total Debt.....	4.61%
Net Combined Total Debt .....	4.58%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,387,850,611):

Total Overlapping Tax Increment Debt .....	0.56%
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Notes:

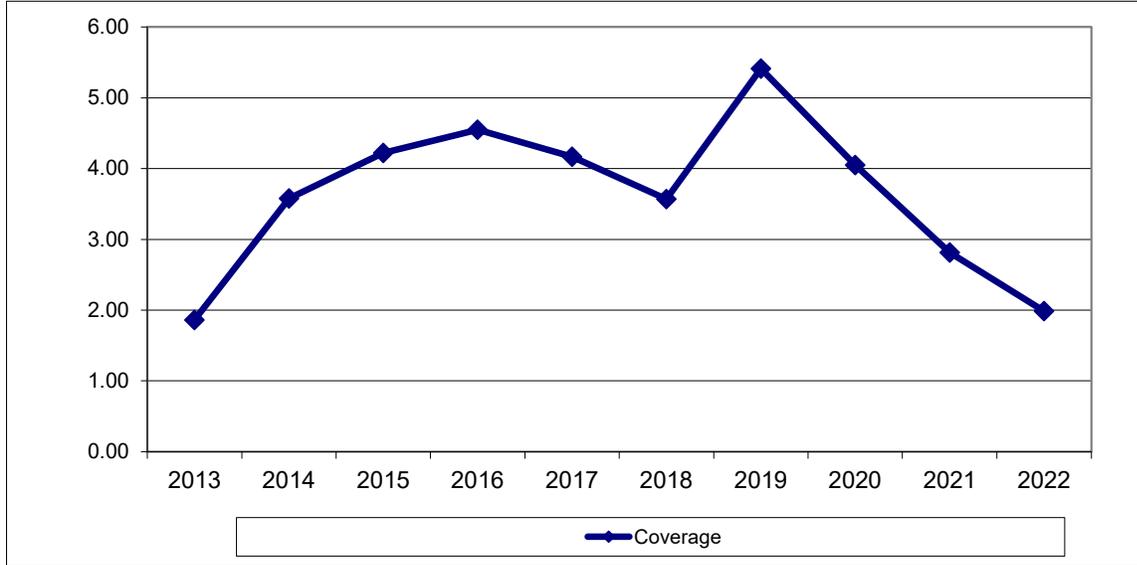
[1] The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable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

[2] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Source : California Municipal Statistics, Inc.



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



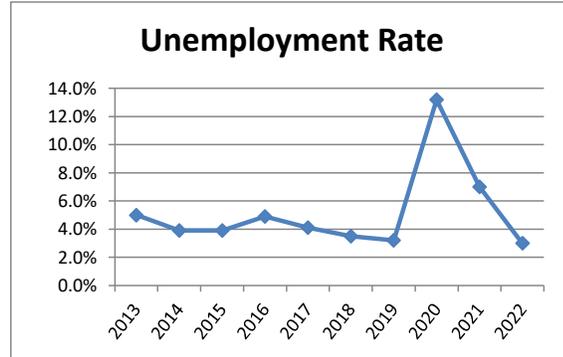
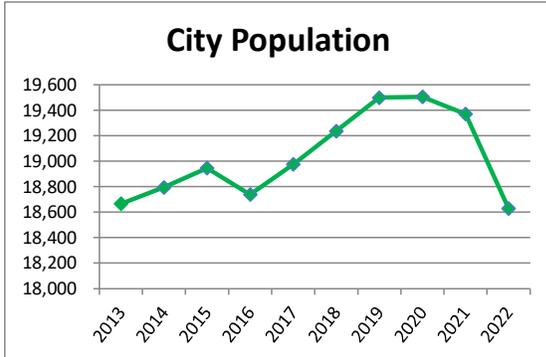
Fiscal Year	Gross Revenue [a]	Operating Expenses [b]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 5,961,605	\$ 4,806,424	\$ 1,155,182	\$ 200,000	\$ 420,973	\$ 620,973	1.86
2014	6,473,147	4,232,789	2,240,358	215,000	411,329	626,329	3.58
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
2022	7,770,772	6,736,755	1,034,017	329,000	191,322	520,322	1.99

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]
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%
2022	18,628	1,432,455,944	142,800	76,898	3,802	3.0%

Data Sources:

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

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

Employer	2022		Employer	2013	
	Employee Count	Percentage of City Total		Employee Count	Percentage of City Total
Target	237	2.42%	West Contra Costa USD	320	7.50%
West Contra Costa USD	185	1.89%	Lucky's / Food Max	169	3.96%
Kaiser Health Center	144	1.47%	Target	136	3.19%
City of Pinole	117	1.19%	Best Buy	108	2.53%
In-N-Out Burger	110	1.12%	K-Mart	107	2.51%
Sprouts Farmers Market	100	1.02%	City of Pinole	99	2.32%
Trader Joe's	98	1.00%	Safeway	78	1.83%
MV Public Transportation, Inc.	97	0.99%	Kaiser Health Center	75	1.76%
Pathway to Choices	85	0.87%	Trader Joe's	71	1.66%
Burlington Coat Factory	82	0.84%	Round Table Pizza	65	1.52%
Top 10 Employer Count	1,255			1,228	
Total Workforce	9,800	12.81%		4,265	28.79%

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]	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Administration	5.0	5.0	5.0	5.0	5.0	5.0	5.5	5.5	6.5	7.5
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	1.5	2.0
Building	1.0	2.0	2.0	2.0	2.5	3.5	3.5	4.0	4.0	4.0
Other	4.0	4.0	4.0	3.0	3.0	3.0	3.0	2.8	3.8	3.8
Police										
Sworn	27.0	27.0	27.0	27.0	27.0	28.0	28.0	28.0	28.0	28.0
Non-sworn	13.0	13.0	13.0	14.5	14.5	17.5	18.0	18.5	18.2	19.3
Fire										
Sworn	15.0	15.0	15.0	15.0	14.0	14.0	14.0	14.0	14.0	16.0
Non-sworn	-	-	-	0.5	1.0	1.0	1.0	1.0	1.0	1.0
Public Works										
Engineering	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.5	4.0
Maintenance	6.0	6.0	6.0	10.0	10.0	10.0	10.0	11.3	10.3	12.3
Redevelopment	-	-	-	-	-	-	-	-	-	-
Parks and recreation	8.0	11.0	11.0	13.0	13.0	13.0	13.0	11.5	11.5	12.5
Wastewater collection and treatment	13.0	13.0	13.0	10.5	10.5	10.5	10.5	10.5	10.5	11.5
<b>Total</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>115.2</b>	<b>125.2</b>

Notes:

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

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: 97  
 Part-time: 27  
 Area in square miles: 5 square miles

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Fire Protection :</b>										
Number of fire personnel & officers (incl. Reserves)	17	15	15	15	15	15	15	15	17	15
Number of calls answered	2,548	2,086	2,574	2,493	2,515	2,647	2,406	1,908	2,205	2,250
Number of inspections conducted	491	375*	231	168	89	45	404	60	7	48
Number of building plan reviews	46	35	29	28	21	34	66	50	25	32
Number of fire investigations	Not Available	2	Not Available	Not Available						
<b>Police Protection :</b>										
Number of police personnel & officers (incl. Reserves)	46	46	46	46	45.5	41.5	41.5	40	40	40
Number of police personnel per thousand population	2.47	2.37	2.36	2.36	2.37	2.19	2.21	2.11	2.13	2.14
<b>Community Development:</b>										
Number of residential building permits	1038	905	843	749	690	777	1027	1061	800	651
Valuation of residential building permits	\$ 12,320,050	\$ 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
Number of commercial building permits	45	45	43	153	84	92	46	22	43	59
Valuation of commercial building permits	\$ 2,197,897	\$ 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
<b>Sewer System:</b>										
Daily average treatment in gallons	2,726,016	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
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.

