

City of Pinole, California



Annual Comprehensive Financial Report

For the Fiscal Year Ended
June 30, 2023

City of Pinole

Pinole, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

Prepared by the
Finance Department

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For the Year Ended June 30, 2023
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CITY OF PINOLE

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February 28, 2024

Members of the City Council
Residents of the City of Pinole

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of the City of Pinole, California (City) for the fiscal year (FY) ended June 30, 2023.

Introduction

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

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

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

The Pun Group, an independent, certified public accounting firm, has audited the City of Pinole's financial statements for the fiscal year ended June 30, 2023. The objective of the audit was to provide reasonable assurance that the financial statements of the City are free of material misstatement. The audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating overall financial management presentation. The Pun Group concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Pinole's financial statements for the year ended June 30, 2023 are fairly presented in conformity with GAAP. Their independent auditors' report is the first component presented in the Financial section of the ACFR.

Public agencies that receive federal funding above a certain monetary threshold are required to undergo an annual "Single Audit" that incorporates the audit of financial statements mentioned above as well as an auditors' assessment of the City's internal controls and compliance with legal requirements, particularly internal controls and compliance regarding administration of federal awards. The Single Audit Report is published as a separate document from the ACFR. A Single Audit Report is required for the City for the fiscal year ended June 30, 2023 because the City's expenditures 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 18,244.

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 116 full-time equivalent authorized personnel in FY 2022/23. The City provides public safety (police), public works (maintenance of streets and facilities), community development (land use and building regulation), recreation programs and parks, wastewater utilities, administration, and fiscal services. Effective March 1, 2023, the Fire Department transitioned from the City to the Contra Costa County Fire Protection District, which provides fire and emergency medical services to Pinole residents under a contract services agreement.

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

Local Economy

The region has a varied manufacturing, industrial, and commercial economic base. The long-term trend of the City's economy is a stable local tax base in both retail sales and real property values. The City's principal businesses are engaged in merchandising and retail sales.

The City had a population of 18,244 in 2023, down from 18,628 in 2022. The median household income was \$147,900 in 2023, up from \$142,800 in 2022. The local unemployment rate in 2023 was 2.7%, down from 3.0% in 2022. Contra Costa County, which includes Pinole, had an unemployment rate of 4.2% in 2023, which is less than the state's average rate of 4.9%.

Real property values have slightly decreased. The median price of a detached single family home in Pinole decreased by 4% from June 2022 to June 2023.

Commercial Activity

The City performed inspections and processed building permits for significant new residential development projects, including construction of 179 units of 100% affordable housing for seniors at 600 Roble ("Vista Woods" project), 33 units of 100% affordable housing for veterans at 811 San Pablo ("SAHA" project) and 154 units of condominium housing at 2151 Appian Way ("Appian Village" project).

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. Under Goal 2 – Financially Stable Pinole, several initiatives are underway or have been completed. The initiatives included developing a long-term financial plan. The City implemented its first LTFP in June 2021.

The City updates its Long-Term Financial Plan (LTFP) annually. The LTFP provides a ten-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.

Goal 3 – Vibrant and Beautiful Pinole of the Strategic Plan 2020-2025 directed the creation of an Economic Development Strategy (EDS). The EDS is a strategic framework to guide the City of Pinole’s economic development policies and programs over the next five years and is based on a comprehensive research and stakeholder input process, and reflects consensus views on the most promising opportunities and the most pressing challenges facing Pinole’s economy.

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 a working blueprint for building and sustaining publicly funded physical infrastructure.

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, 2022. This was the twenty-fifth 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,



Markisha Guillory
Finance Director

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

JUNE 30, 2023

ELECTED OFFICIALS



Devin Murphy
Mayor



Maureen Toms
Mayor Pro Tempore



Anthony Tave
Council Member



Cameron Sasai
Council Member



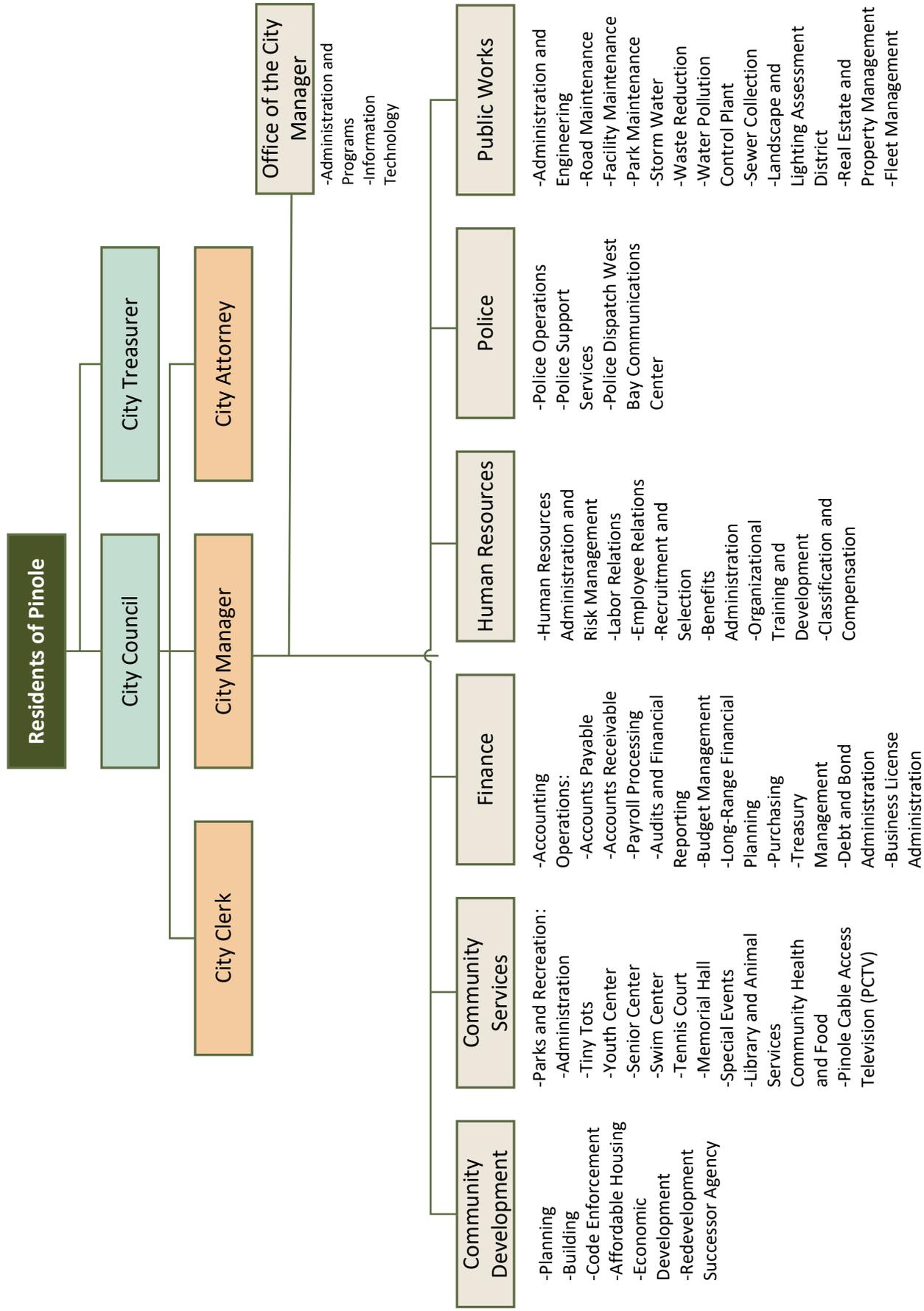
Norma Martínez-Rubin
Council Member



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	Jeremy Rogers
Finance Director	Markisha Guillory
Human Resources Director	Stacy Shell
Police Chief	Neil Gang
Public Works Director	Sanjay Mishra



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



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Pinole
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

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INDEPENDENT AUDITORS' 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, California (the "City"), as of and for the year ended June 30, 2023, and the related notes to the basic 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, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Prior Period Adjustment

As discussed in Note 18 to the basic financial statements, net pension liabilities and related deferred outflows of resources and deferred inflows of resources were reallocated from business-type activities to governmental activities in amount of \$39,689, and corrections were made to interest payable in the general fund in the amount of \$30,145, and capital assets in the business activities in the amount of \$5,453,169. Accordingly, beginning net position as of July 1, 2022, of the governmental activities and business-type activities were restated to reflect the correction of these errors. Our opinions are not modified with respect to these matters.

Implementation of New GASB Pronouncements

As discussed in Note 1 and Note 18 to the basic financial statements, the City implemented Governmental Accounting Standards Board ("GASB") Statement No. 96, *Subscription Based Information Technology Arrangements* during the year. The implementation of GASB Statement No. 96 requires the City to record subscription assets and corresponding subscription liabilities for all SBITAs with a noncancellable term over one year. As a result of the implementation, the City reported a restatement of its net position in the amount of \$32,676. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis, Budgetary Comparison Schedules, Schedule of City’s Proportionate Share of the Net Pension Liability, Schedules of Contributions – Pension Plans, and Schedule of the City’s Net OPEB Liability and Related Ratios, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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 Fund Financial Statements and Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

To the Honorable Mayor and Members
of the City Council of the City of Pinole
Pinole, California
Page 4

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2024, on our consideration of City’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City’s internal control over financial reporting and compliance.

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

Santa Ana, California
February 28, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2023 (FY 2022/23). 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 2022/23 by \$41.3 million (net position). Of this amount, \$29.9 million is restricted for specific purposes (restricted net position), \$37.9 million is the net investment in capital assets and \$26.5 million represents a deficit in unrestricted net position.
- The City's net position increased by \$9.0 million, a 28.0% increase at the close of FY 2022/23 as compared to FY 2021/22. The increase is primarily the result of a substantial increase in deferred outflows of resources and a substantial decrease in deferred inflows of resources for pension related amounts. Overall, governmental activities net position increased by \$7.2 million while business-type activities increased by \$1.9 million.
- Governmental funds reported ending balances of \$57.2 million, an increase of \$2.9 million in comparison to the prior FY 2021/22.
- The General Fund balance closed at \$36.6 million, of which \$12.1 million is unassigned.

GENERAL FUND BUDGETARY HIGHLIGHTS

- Actual General Fund revenues totaling \$24.1 million were \$0.9 million, or 3.9% higher than the final total revenue budget of \$23.2 million. Actual revenues were higher primarily attributable to higher than projected receipts from taxes and assessments and charges for services.
- Actual General Fund expenditures totaling \$25.1 million were 2.6 million, or 9.4% less than the total final expenditure budget of \$27.8 million. The savings primarily resulted from lower actual expenditures in capital outlay due to deferred capital improvements projects.

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 2022/23 and FY 2021/22. 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, 2023 (2023) and June 30, 2022 (2022).

Summary of Net Position

	Governmental Activities		Business-type Activities		Totals		Total % Change
	2023	2022	2023	2022	2023	2022	
Assets:							
Current and other assets	\$ 60,053,084	\$ 59,068,747	\$ 20,196,810	\$ 19,505,206	\$ 80,249,894	\$ 78,573,953	2.1%
Capital assets	30,456,901	31,801,267	37,124,805	37,837,459	67,581,706	69,638,726	-3.0%
Total assets	90,509,985	90,870,014	57,321,615	57,342,665	147,831,600	148,212,679	-3.8%
Deferred outflows of resources	22,997,360	14,304,839	2,158,595	1,589,522	25,155,955	15,894,361	58.3%
Liabilities:							
Current liabilities	2,787,469	4,078,101	1,793,489	1,742,248	4,580,958	5,820,349	-21.3%
Long-Term liabilities	74,186,551	64,615,618	35,758,627	36,321,119	109,945,178	100,936,737	8.9%
Total liabilities	76,974,020	68,693,719	37,552,116	38,063,367	114,526,136	106,757,086	7.3%
Deferred inflows of resources	15,481,521	22,592,998	1,665,039	2,475,157	17,146,560	25,068,155	-31.2%
Net position:							
Net Investment in capital assets	30,207,077	31,695,972	7,718,239	7,410,510	37,925,316	39,106,482	-3.0%
Restricted	29,854,090	34,342,971	-	-	29,854,090	34,342,971	-13.1%
Unrestricted (deficit)	(39,009,363)	(52,150,807)	12,554,816	10,983,153	(26,464,547)	(41,167,654)	-35.8%
Total net position	\$ 21,051,804	\$ 13,888,136	\$ 20,263,055	\$ 18,393,663	\$ 41,314,859	\$ 32,281,799	28.0%

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 \$41.3 million at the close of FY 2022/23. The City's combined net position increased 28.0%, or \$9 million from the prior fiscal year. This is primarily a result of changes in governmental activities due to a substantial increase in deferred outflows of resources and a substantial decrease in deferred inflows of resources for pension related amounts. CalPERS reported a large return on plan assets during measurement period 2022; 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 \$37.9 million (91.8% 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 decreased by \$6.6 million (Note 6).
- *Restricted net position* of \$29.9 million (72.4% of the total) represents resources that are subject to external restrictions on how they may be used. Of this amount, \$8.2 million represents housing net position with \$0.4 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, decreased by \$14.7 million to negative \$26.5 million. Governmental activities unrestricted net position was a negative \$39.0 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 \$12.6 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, 2023 (2023) and June 30, 2022 (2022).

	Governmental Activities		Business-type Activities		Totals		Total % Change
	2023	2022	2023	2022	2023	2022	
Revenues:							
Program revenues:							
Charges for services	\$ 5,090,558	\$ 6,054,032	\$ 7,831,703	\$ 7,753,461	\$ 12,922,261	\$ 13,808,080	-6.4%
Operating grants and contributions	5,594,961	2,020,534	-	-	5,594,961	2,020,534	176.9%
Capital grants and contributions	865,743	712,728	-	-	865,743	712,728	21.5%
Total program revenue	11,551,262	8,787,294	7,831,703	7,753,461	19,382,965	16,541,342	17.2%
General revenues:							
Taxes:							
Property tax	5,013,845	4,211,331	-	-	5,013,845	4,211,331	19.1%
Sales tax	9,568,274	9,879,126	-	-	9,568,274	9,879,126	-3.1%
Franchise tax	893,814	788,146	-	-	893,814	788,146	13.4%
Utility tax	2,312,830	2,495,570	-	-	2,312,830	2,495,570	-7.3%
Other taxes	968,678	1,054,413	-	-	968,678	1,054,413	-8.1%
Motor Vehicle in Lieu	2,219,137	2,079,739	-	-	2,219,137	2,079,739	6.7%
Gain on disposal of asset		275,759	-	-	-	275,759	-100.0%
Investment earnings (loss)	1,508,707	(2,657,045)	(174,689)	(196,758)	1,334,018	(2,853,803)	-146.7%
Miscellaneous	50,241	127,813			50,241	127,813	-60.7%
Total general revenues	22,535,526	18,254,852	(174,689)	(196,758)	22,360,837	18,058,094	23.8%
Total revenues	34,086,788	27,042,146	7,657,014	7,556,703	41,743,802	34,599,436	20.6%
Expenses:							
General government	4,226,526	5,467,048	-	-	4,226,526	5,467,048	-22.7%
Public safety	12,985,795	19,255,147	-	-	12,985,795	19,255,147	-32.6%
Public services	4,390,575	3,943,251	-	-	4,390,575	3,943,251	11.3%
Recreation	1,926,541	1,878,342	-	-	1,926,541	1,878,342	2.6%
Community development	2,982,917	2,271,609	-	-	2,982,917	2,271,609	31.3%
Interest and fiscal charges	410,766	388,876	-	-	410,766	388,876	5.6%
Wastewater utility	-	-	5,787,622	6,792,668	5,787,622	6,792,668	-14.8%
Total expenses	26,923,120	33,204,273	5,787,622	6,792,668	32,710,742	39,996,941	-18.2%
Revenues over (under) expenses	7,163,668	(6,162,127)	1,869,392	764,035	9,033,060	(5,398,092)	-267.3%
Changes in Net Position	7,163,668	(6,162,127)	1,869,392	764,035	9,033,060	(5,398,092)	-267.3%
Net position, beginning of year, restated	13,888,136	20,050,263	18,393,663	17,629,629	32,281,799	37,679,892	-14.3%
Net position, end of year	\$ 21,051,804	\$ 13,888,136	\$20,263,055	\$ 18,393,663	\$ 41,314,859	\$ 32,281,799	28.0%

Governmental Activities

Governmental activities net position increased by \$7.2 million. Key elements of the change in net position are as follows:

- Program revenues, mainly operating grants and contributions, reflected an increase of \$3.6 million (176.9%) over FY 2022/23. The increase was primarily attributable to the remaining ARPA funds of \$4.0 million.
- General revenues, mainly property tax and investment earnings, reflected an increase of \$4.3 million (23.4%) over FY 2022/23.
- Expenses decreased by \$6.4 million (19.1%) over FY 2022/23. The most significant changes were in general government, public safety, and community development.

Business-type Activities

Business-type activities net position increased by \$1.9 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 \$0.06 million (0.8%) over the prior fiscal year.
- There was a decrease in expenses over the prior fiscal year of \$1.0 million (14.8%). Depreciation expense is considered a cost of service in proprietary funds, which accounted for \$1.0 million in FY 2022/23 (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 2023 monthly rate for single family residents was \$73.62 and \$62.58 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, 2023:

	Governmental Fund Balances				
	General Fund	Housing Programs Special Revenue Fund	American Rescue Plan Act	Non-Major Governmental Funds	Total Governmental Funds
Nonspendable	\$ 243,904	\$ -	\$ -	\$ 328,952	\$ 572,856
Restricted	14,775,559	8,203,719	-	10,386,708	33,365,986
Committed	9,412,029	-	-	-	9,412,029
Assigned	-	-	-	3,280,685	3,280,685
Unassigned	12,123,654	-	-	(1,560,650)	10,563,004
Total Fund Balances	\$ 36,555,146	\$ 8,203,719	\$ -	\$ 12,435,695	\$ 57,194,560

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

At June 30, 2023, the City's governmental funds reported combined fund balances of \$57.2 million, which is an increase of \$2.9 million (5.4%) when compared to the prior fiscal year, FY 2021/22. This largely results from an increase in the unassigned fund balance due to the funding of capital projects and special initiatives that were not completed.

Nonspendable fund balances constitute \$572,856 (1.0%) of the combined governmental fund balance and cannot be spent either because the underlying resources are not in a spendable form or because the government is legally or contractually required to maintain the resources intact.

Restricted fund balances constitute \$33.4 million, (58.3%) of the combined governmental fund balance and are constrained for a specific purpose by external parties, constitutional provision, or enabling legislation.

Committed fund balances constitute \$9.4 million (16.5%) 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 constitute \$3.3 million (5.7%) of the combined governmental fund balance and are intended to be used for specific purposes and have been identified as such by the City Council or the City Manager who has been delegated authority by the City Council to assign amounts.

Unassigned fund balances constitute \$10.6 million (18.5%) 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 2022/23 are the General Fund, Housing Fund, and the American Rescue Plan Act Fund. A *major fund* is defined as those funds whose revenues, expenditures/expenses, assets or liabilities are at least 10 percent of the total for their fund category (governmental or enterprise) and 5 percent of the aggregate of all governmental and enterprise funds in total.

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

The fund balance for the General Fund increased by \$1.3 million (3.7%), as a net result of revenues in excess of expenditures, resulting from an increase in unassigned fund balance.

General Fund revenue increased by \$5.0 million (26.3%) this fiscal year as compared to FY 2021/22. The largest component of this increase was higher taxes and assessments revenue combined with an increase in interest income resulting from higher returns on investments; there was a substantial loss in the prior year.

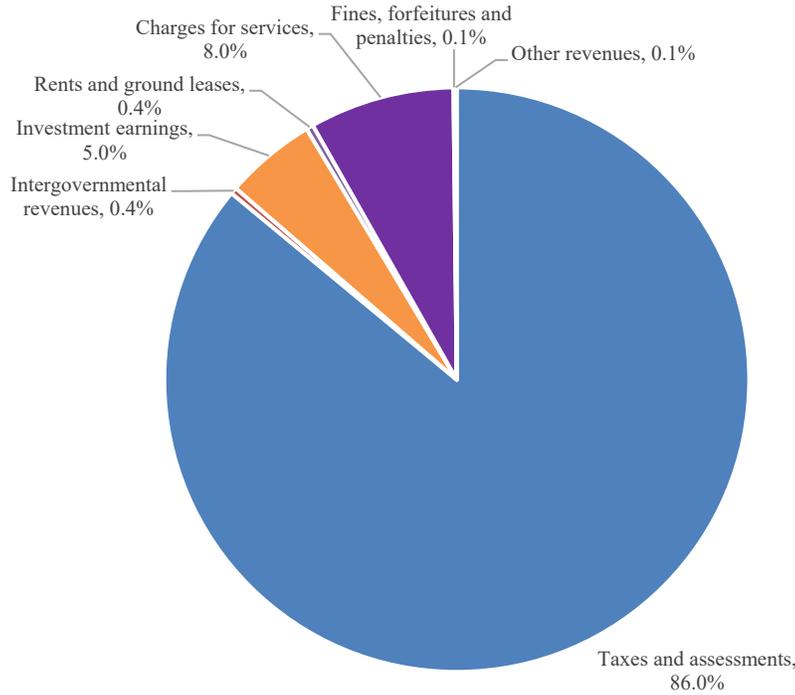
General Fund expenditures increased \$3.2 million this fiscal year (14.8%) this fiscal year compared to FY 2021/22. This is primarily attributed to increases in public safety, public works, and general administration operating expenses.

Revenues

The following table and chart highlight the General Fund revenue by source for the year ended June 30, 2023.

Revenue by Source

<u>Source</u>	<u>Amount</u>	<u>% of Total</u>
Taxes and assessments	\$ 20,717,898	86.0%
Intergovernmental revenues	87,236	0.4%
Investment earnings	1,214,267	5.0%
Rents and ground leases	95,432	0.4%
Charges for services	1,927,404	8.0%
Fines, forfeitures and penalties	17,579	0.1%
Other revenues	26,103	0.1%
Total	\$ 24,085,919	100.0%

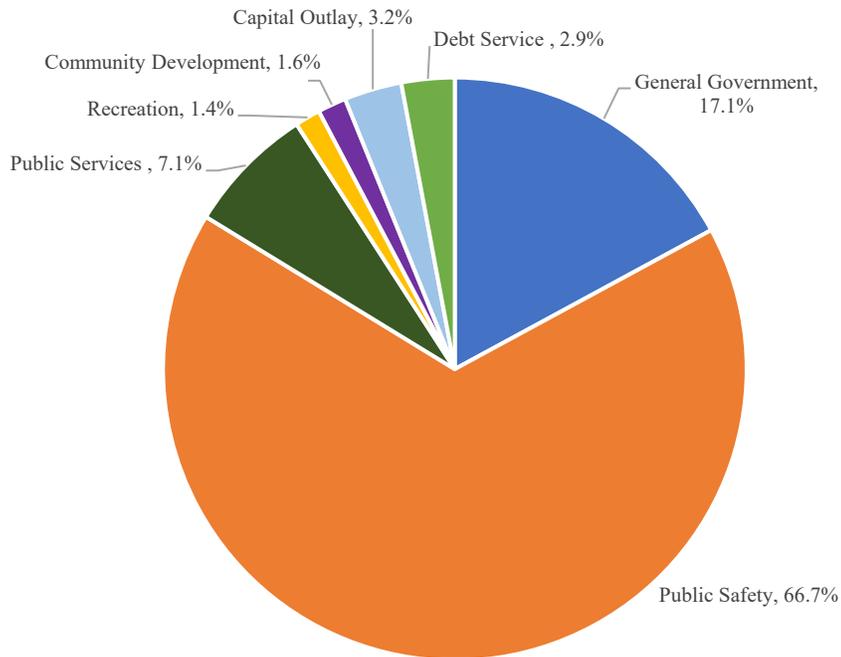


Expenditures

The following table and chart highlight the General Fund expenditures by function for the year ended June 30, 2023.

Expenditures By Function

<u>Function</u>	<u>Amount</u>	<u>% of Total</u>
General Government	\$ 4,296,051	17.1%
Public Safety	16,763,627	66.7%
Public Services	1,792,716	7.1%
Recreation	355,146	1.4%
Community Development	398,604	1.6%
Capital Outlay	802,648	3.2%
Debt Service	739,391	2.9%
Total	\$ 25,148,183	100.0%



Other Governmental Funds

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

Other governmental funds revenue decreased by \$1.9 million this fiscal year as compared to FY 2021/22. This is largely the result of higher development impact fee receipts in the prior fiscal year due to building permits being issued for several large development projects.

Other governmental funds expenditures decreased by \$0.8 million this fiscal year as compared to FY 2021/22. This is largely due to delays in completing capital improvement projects.

Proprietary Fund

Wastewater Utility

The Wastewater Utility Funds net position increased by \$1.9 million, 10.2% over the prior fiscal year to a total of \$20.3 million. Program revenues FY 2022/23 was \$7.8 million, as revenues increased by \$0.1 million, while expenses decreased by \$1.0 million.

The Fund's Net Position is comprised of \$7.7 million net investment in capital assets and \$12.6 million in unrestricted net assets at June 30, 2023. 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 14).

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, 2023 was \$37.9 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

	2023	2022 (As restated)	Net Change
Governmental Activities			
Land and Construction-in-progress	\$ 7,963,301	\$ 7,492,981	\$ 470,320
Buildings and improvements	16,040,401	16,048,771	(8,370)
Machinery, equipment and vehicles	8,725,678	10,740,048	(2,014,370)
Infrastructure	61,078,899	61,027,212	51,687
Leased assets	103,931	95,874	8,057
Subscription assets	666,105	508,465	157,640
Less accumulated depreciation and amortization	(64,121,414)	(63,993,458)	(127,956)
Totals	30,456,901	31,919,893	(1,462,992)
Business-type activities			
Construction in Progress	124,930	-	124,930
Buildings and improvements	40,857,072	42,322,987	(1,465,915)
Equipment	1,229,931	2,316,830	(1,086,899)
Vehicles	920,362	742,493	177,869
Infrastructure	7,474,337	7,474,337	-
Less accumulated depreciation	(13,481,827)	(15,019,189)	1,537,362
Totals	\$ 37,124,805	\$ 37,837,458	\$ (712,653)

Debt Administration:

Each of the City's debt issues is discussed in detail in Note 7 to the financial statements. At June 30, 2023 the City's remaining long-term debt related to governmental and business-type activities is as follows:

Outstanding Debt

	Balance June 30, 2023	Balance June 30, 2022 (As Restated)	Net Change
Governmental Activity Debt			
2006 Pension Obligation bonds	\$ 2,297,299	\$ 2,512,885	\$ (215,586)
Leases payable	56,609	72,619	(16,010)
Subscription payable	176,570	118,626	57,944
Compensated absences	819,967	943,925	(123,958)
Total Governmental Activity Debt	3,350,445	3,648,055	(297,610)
Business-Type Activity Debt			
2016 Wastewater Revenue Refunding Bond	5,980,000	6,321,000	(341,000)

2016 Clean Water State Revolving Fund	23,426,566	24,105,949	(679,383)
Compensated absences	178,271	143,237	35,034
Total Business-Type Activity Debt	29,584,837	30,570,186	(985,349)
Total Debt Outstanding	\$ 32,935,282	\$ 34,218,241	\$ (1,282,959)

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) 2023/24 Operating and Capital Budget** was adopted by the City Council on June 20, 2023. The Adopted FY 2023/24 Operating and Capital Budget is a structurally balanced, status quo budget. This means that ongoing revenues are sufficient to cover ongoing expenditures, and that service levels and revenue mechanisms in the budget are essentially the same as those in the FY 2022/23 budget. The budget does include the use of a portion of the City’s substantial unassigned fund balance to fund several capital projects and one-time special initiatives. The Adopted FY 2023/24 Operating and Capital Budget does not include any use of the City’s General Reserve.
- **Long-Term Financial Plan for Fiscal Year (FY) 2023/24 – FY 2032/33** was adopted with the FY 2023/24 Operating and Capital Budget on June 20, 2023. It provides a ten-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 was extended from a five-year to a ten-year horizon.
- **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.
- **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 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.
- **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 20, 2023 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.
- **Economic Development Strategy (EDS)** was adopted in October 2022. The EDS is a strategic framework to guide the City of Pinole’s economic development policies and programs over the next five years (starting January 1, 2023) and is based on a comprehensive research and stakeholder input process, and reflects consensus views on the most promising opportunities and the most pressing challenges facing Pinole’s economy. Implementation has started as several of the year one strategies are funded in the FY 2023/24 budget.

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.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Pinole
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 33,580,842	\$ 18,392,261	\$ 51,973,103
Accounts receivable, net	3,587,742	1,116	3,588,858
Notes receivable, net	4,380,000	-	4,380,000
Interest receivable	144,691	111,921	256,612
Lease receivable, current	91,064	-	91,064
Due from other government	-	583,525	583,525
Prepaid items	556,890	1,092,380	1,649,270
Inventory	15,966	15,607	31,573
Land held for resale	355,062	-	355,062
Total current assets	42,712,257	20,196,810	62,909,067
Noncurrent assets:			
Cash and investments with fiscal agents	16,787,831	-	16,787,831
Lease receivable - noncurrent	552,996	-	552,996
Capital assets:			
Land and construction in progress	7,963,301	124,930	8,088,231
Capital assets being depreciated/amortized, net	22,493,600	36,999,875	59,493,475
Total capital assets	30,456,901	37,124,805	67,581,706
Total noncurrent assets	47,797,728	37,124,805	84,922,533
Total assets	90,509,985	57,321,615	147,831,600
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	17,448,768	1,542,085	18,990,853
OPEB related amounts	5,548,592	616,510	6,165,102
Total deferred outflows of resources	22,997,360	2,158,595	25,155,955

City of Pinole
Statement of Net Position (Continued)
June 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	1,542,058	203,819	1,745,877
Accrued payroll	429,682	59,594	489,276
Interest payable	39,705	456,467	496,172
Unearned revenue	64,619	-	64,619
Deposits payable	200,108	-	200,108
Compensated absences - due within one year	174,488	35,677	210,165
Long-term debt - due within one year	336,809	1,037,932	1,374,741
Total current liabilities	2,787,469	1,793,489	4,580,958
Noncurrent liabilities:			
Compensated absences - due in more than one year	645,479	142,594	788,073
Long-term liabilities - due in more than one year	2,193,669	28,368,634	30,562,303
Aggregate net pension liability	38,689,981	3,618,796	42,308,777
Total OPEB liability	32,657,422	3,628,603	36,286,025
Total noncurrent liabilities	74,186,551	35,758,627	109,945,178
Total liabilities	76,974,020	37,552,116	114,526,136
DEFERRED INFLOWS OF RESOURCES			
Lease related	622,057	-	622,057
Pension related amounts	4,295,624	491,280	4,786,904
OPEB related amounts	10,563,840	1,173,759	11,737,599
Total deferred inflows of resources	15,481,521	1,665,039	17,146,560
NET POSITION			
Net investment in capital assets	30,207,077	7,718,239	37,925,316
Restricted:			
Community development	11,776	-	11,776
Public works	5,629,498	-	5,629,498
Public safety	1,381,784	-	1,381,784
Housing activities	8,203,719	-	8,203,719
Pension	14,627,313	-	14,627,313
Total restricted	29,854,090	-	29,854,090
Unrestricted (deficit)	(39,009,363)	12,544,816	(26,464,547)
Total net position	\$ 21,051,804	\$ 20,263,055	\$ 41,314,859

City of Pinole
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary government:					
Governmental activities:					
General government	\$ 4,226,526	\$ 936,883	\$ 4,071,404	\$ -	\$ 5,008,287
Public safety	12,985,795	1,840,283	252,507	-	2,092,790
Public services	4,391,992	365,748	1,251,050	865,743	2,482,541
Recreation	1,926,541	711,156	-	-	711,156
Community development	2,982,917	1,236,488	20,000	-	1,256,488
Interest and fiscal charges	410,766	-	-	-	-
Total governmental activities	26,924,537	5,090,558	5,594,961	865,743	11,551,262
Business-type activities:					
Wastewater utility	5,787,622	7,831,703	-	-	7,831,703
Total business-type activities	5,787,622	7,831,703	-	-	7,831,703
Total primary government	\$ 32,712,159	\$ 12,922,261	\$ 5,594,961	\$ 865,743	\$ 19,382,965

City of Pinole
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ 781,761	\$ -	\$ 781,761
Public safety	(10,893,005)	-	(10,893,005)
Public services	(1,909,451)	-	(1,909,451)
Recreation	(1,215,385)	-	(1,215,385)
Community development	(1,726,429)	-	(1,726,429)
Interest and fiscal charges	(410,766)	-	(410,766)
Total governmental activities	(15,373,275)	-	(15,373,275)
Business-type activities:			
Wastewater utility	-	2,044,081	2,044,081
Total business-type activities	-	2,044,081	2,044,081
Total primary government	(15,373,275)	2,044,081	(13,329,194)
General Revenues			
General revenues:			
Taxes:			
Property taxes	5,013,845	-	5,013,845
Sales taxes	9,568,274	-	9,568,274
Franchise taxes	893,814	-	893,814
Utility taxes	2,312,830	-	2,312,830
Other taxes	968,678	-	968,678
Total taxes	18,757,441	-	18,757,441
Unrestricted motor vehicle in lieu	2,219,137	-	2,219,137
Investment earnings (loss)	1,508,707	(174,689)	1,334,018
Miscellaneous	50,241	-	50,241
Total general revenues	22,535,526	(174,689)	22,360,837
Change in net position	7,162,251	1,869,392	9,031,643
Net Position:			
Beginning of year, as restated (Note 18)	13,888,136	18,393,663	32,281,799
End of year	\$ 21,050,387	\$ 20,263,055	\$ 41,313,442

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FUND FINANCIAL STATEMENTS

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Governmental Fund Financial Statements

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

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

American Rescue Plan Act Fund - This fund is used to account for moneys allocated to the City from the federal government from the economic recovery bill that was signed into law by President Biden on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts.

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City of Pinole
Balance Sheet
Governmental Funds
June 30, 2023

	Major Funds				Total Governmental Funds
	General Fund	Housing Programs Special Revenue Fund	American Rescue Plan Act Fund	Non-major Governmental Funds	
ASSETS					
Cash and investments	\$ 16,404,654	\$ 3,444,325	\$ -	\$ 13,731,863	\$ 33,580,842
Accounts receivable	2,632,287	263	-	955,192	3,587,742
Notes receivable	-	4,380,000	-	-	4,380,000
Lease receivable	632,674	-	-	11,386	644,060
Interest receivable	61,722	26,916	-	56,053	144,691
Due from other funds	1,803,946	-	-	-	1,803,946
Prepaid items and supplies	227,938	-	-	328,952	556,890
Inventory	15,966	-	-	-	15,966
Land held for redevelopment	-	355,062	-	-	355,062
Cash and investments with fiscal agents	16,787,831	-	-	-	16,787,831
Total assets	\$ 38,567,018	\$ 8,206,566	\$ -	\$ 15,083,446	\$ 61,857,030
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	890,562	2,847	-	648,649	1,542,058
Accrued liabilities	368,259	-	-	61,423	429,682
Unearned revenue	57,513	-	-	7,106	64,619
Deposits payable	78,881	-	-	121,227	200,108
Due to other funds	-	-	-	1,803,946	1,803,946
Total liabilities	1,395,215	2,847	-	2,642,351	4,040,413
DEFERRED INFLOWS OF RESOURCES					
Lease related	616,657	-	-	5,400	622,057
Total deferred inflows of resources	616,657	-	-	5,400	622,057
Fund Balances (Deficit):					
Nonspendable	243,904	-	-	328,952	572,856
Restricted	14,775,559	8,203,719	-	10,386,708	33,365,986
Committed	9,412,029	-	-	-	9,412,029
Assigned	-	-	-	3,280,685	3,280,685
Unassigned (deficit)	12,123,654	-	-	(1,560,650)	10,563,004
Total fund balances	36,555,146	8,203,719	-	12,435,695	57,194,560
Total liabilities, deferred inflows of resources, and fund balances	\$ 38,567,018	\$ 8,206,566	\$ -	\$ 15,083,446	\$ 61,857,030

City of Pinole
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds		\$ 57,194,560
Amounts reported for Governmental Activities in the Statement of Net Position were different because:		
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet.		
Nondepreciable	\$ 7,963,301	
Depreciable/amortizable	22,493,600	
Total capital assets		30,456,901
Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.		
Amount reported in Government-Wide Statement of Net Position		
Compensated absences - due within one year		(174,488)
Compensated absences - due in more than one year		(645,479)
Long-term debt - due within one year		(336,809)
Long-term debt - due in more than one year		(2,193,669)
Total long-term liabilities		(3,350,445)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.		
		(39,705)
Aggregate net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.		
Net pension liability		(38,689,981)
Total OPEB liability		(32,657,422)
Total OPEB and Pension		(71,347,403)
Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds		
Amount reported in Government-Wide Statement of Net Position		
Deferred outflows of resources related to pensions		17,448,768
Deferred outflows of resources related to OPEB		5,548,592
Total deferred outflows of resources		22,997,360
Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds		
Amount reported in Government-Wide Statement of Net Position		
Deferred inflows of resources related to pensions		(4,295,624)
Deferred inflows of resources related to OPEB		(10,563,840)
Total deferred inflows of resources		(14,859,464)
Net Position of Governmental Activities		\$ 21,051,804

City of Pinole
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

	General Fund	Major Funds Housing Programs Special Revenue Fund	APRA Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes and assessments	\$ 20,717,898	\$ -	\$ -	\$ 1,064,891	\$ 21,782,789
Intergovernmental revenues	87,236	-	4,071,404	2,045,376	6,204,016
Investment earnings	1,214,267	111,176	-	183,264	1,508,707
Rents and ground leases	95,432	-	-	21,256	116,688
Charges for services	1,927,404	-	-	2,002,656	3,930,060
Fines, forfeitures and penalties	17,579	-	-	35,013	52,592
Other revenues	26,103	23,172	-	444,078	493,353
Total revenues	24,085,919	134,348	4,071,404	5,796,534	34,088,205
EXPENDITURES:					
Current:					
General government	4,296,051	-	-	504,695	4,800,746
Public safety	16,763,627	-	-	340,554	17,104,181
Public services	1,792,716	-	-	1,277,864	3,070,580
Recreation	355,146	-	-	1,575,076	1,930,222
Community development	398,604	609,106	-	2,210,301	3,218,011
Capital outlay	802,648	-	-	645,335	1,447,983
Debt service:					
Principal	338,125	-	-	-	338,125
Interest and fiscal charges	401,206	-	-	-	401,206
Total expenditures	25,148,123	609,106	-	6,553,825	32,311,054
REVENUES OVER (UNDER) EXPENDITURES	(1,062,204)	(474,758)	4,071,404	(757,291)	1,777,151
OTHER FINANCING SOURCES (USES):					
Proceeds from sale of asset	12,080	932,344	-	-	944,424
Proceeds from issuance of debt	165,695	-	-	-	165,695
Transfers in	6,967,848	-	-	1,918,824	8,886,672
Transfers out	(4,815,268)	-	(4,071,404)	-	(8,886,672)
Total other financing sources (uses)	2,330,355	932,344	(4,071,404)	1,918,824	1,110,119
NET CHANGE IN FUND BALANCES	1,268,151	457,586	-	1,161,533	2,887,270
FUND BALANCES:					
Beginning of year, as restated (Note 18)	35,286,995	7,746,133	-	11,274,162	54,307,290
End of year	<u>\$ 36,555,146</u>	<u>\$ 8,203,719</u>	<u>\$ -</u>	<u>\$ 12,435,695</u>	<u>\$ 57,194,560</u>

City of Pinole
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Government-Wide Statement of Activities
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 2,887,270

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

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

Capital outlay	\$ 1,447,983	
Proceed from sale of assets	(1,133,950)	
Depreciation/amortization expense	<u>(1,777,025)</u>	
Total capital assets		(1,462,992)

Interest accrued on long-term debt is reported in the Statement of Activities, but does not require the use of current financial resources. Therefore, accrued interest is not reported as an expenditure in governmental funds. This amount represents the change in accrued interest from the prior year. (9,560)

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

Proceeds from issuance of debt	\$ (165,697)	
Repayment of debt and lease principal	<u>339,349</u>	
Total		173,652

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	\$ 123,958	
Net difference between pension expense and contributions subsequent to the measurement date	5,337,916	
Net difference between OPEB expense and contributions subsequent to the measurement date	<u>113,424</u>	
Total		<u>5,575,298</u>

Change in Net Position of Governmental Activities \$ 7,163,668

Proprietary Funds Financial Statements

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

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City of Pinole
Statement of Net Position
Proprietary Fund
June 30, 2023

	Business-type Activities Wastewater Utility Enterprise Fund
ASSETS	
Current assets	
Cash and investments	\$ 18,392,261
Interest receivable	111,921
Other receivable	1,116
Due from other governments	583,525
Prepaid items	1,092,380
Inventory	15,607
Total current assets	<u>20,196,810</u>
Noncurrent assets	
Capital assets not being depreciated	124,930
Capital assets being depreciated, net	36,999,875
Total capital assets	<u>37,124,805</u>
Total noncurrent assets	<u>37,124,805</u>
Total assets	<u><u>57,321,615</u></u>
DEFERRED OUTFLOW OF RESOURCES	
Deferred outflow pension-related items	1,542,085
Deferred outflow OPEB-related items	616,510
Total deferred outflow of resources	<u><u>2,158,595</u></u>
LIABILITIES	
Current liabilities	
Accounts payable	203,819
Accrued liabilities	59,594
Interest payable	456,467
Compensated absences - current	35,677
Long-term debt, due within one year	1,037,932
Total current liabilities	<u>1,793,489</u>
Noncurrent liabilities	
Compensated absences - noncurrent	142,594
Long-term debt, due in more than one year	28,368,634
Net pension liability	3,618,796
Total OPEB liability	3,628,603
Total noncurrent liabilities	<u>35,758,627</u>
Total liabilities	<u><u>37,552,116</u></u>
DEFERRED INFLOW OF RESOURCES	
Deferred inflow pension-related items	491,280
Deferred inflow OPEB-related items	1,173,759
Total deferred inflow of resources	<u><u>1,665,039</u></u>
NET POSITION	
Net investment in capital assets	7,718,239
Unrestricted	12,544,816
Total net position	<u><u>\$ 20,263,055</u></u>

City of Pinole
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Fund
For the Year Ended June 30, 2023

	Business-type Activities Wastewater Utility Enterprise Fund
OPERATING REVENUES:	
Charges for services	\$ 7,831,703
Total operating revenues	7,831,703
OPERATING EXPENSES:	
Sewer treatment plant	3,566,812
Sewer maintenance	1,235,899
Depreciation	984,911
Total operating expenses	5,787,622
OPERATING INCOME (LOSS)	2,044,081
NONOPERATING REVENUES (EXPENSES):	
Interest revenue	401,683
Interest expense	(576,372)
Total nonoperating revenues (expenses)	(174,689)
Changes in net position	1,869,392
NET POSITION:	
Beginning of year, as restated (Note 18)	18,393,663
End of year	\$ 20,263,055

City of Pinole
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	<u>Business-type Activities Wastewater Utility Enterprise Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 7,586,869
Cash paid to suppliers	(3,387,666)
Cash paid to employees	(2,285,592)
Net cash provided by operating activities	<u>1,913,611</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Gain on disposal of capital assets	93,066
Acquisition and construction of capital assets	(365,322)
Principal payment of long-term debt	(1,020,383)
Interest paid on debt	(591,241)
Net cash (used in) capital and related financing activities	<u>(1,883,880)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest and dividends	289,762
Net cash provided by investing activities	<u>289,762</u>
Net change in cash and cash equivalents	319,493
CASH AND CASH EQUIVALENTS:	
Beginning of year	<u>18,072,768</u>
End of year	<u>\$ 18,392,261</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 2,044,081
Adjustments to reconcile operating to net cash provided by (used in) operating activities:	
Depreciation	984,911
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:	
Other receivables	338,691
Due from other governments	(583,525)
Prepaid items	(3,196)
Inventory	(12,161)
Deferred outflow pension-related items	(919,369)
Deferred outflow OPEB-related items	166,689
Accounts payable	(30,693)
Accrued liabilities	59,594
Compensated absences	35,034
Net pension liability	1,434,660
Total OPEB liability	(795,243)
Deferred inflows - pension related	(1,421,814)
Deferred inflows - OPEB related	615,952
Total adjustments	<u>(130,470)</u>
Net cash provided by operating activities	<u>\$ 1,913,611</u>

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Pinole
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Total Fiduciary Funds
ASSETS	
Cash and cash equivalents	\$ 5,755,586
Interest receivable	18,295
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	7,218,846
Total assets	17,902,289
LIABILITIES	
Accounts payable	19,354
Deposits payable	164,529
Unearned revenue	23,668
Interest payable	34,442
Bonds payable - due within one year	3,570,000
Total liabilities	3,811,993
NET POSITION	
Restricted for:	
Held in trust for dissolution of RDA	14,069,748
Individuals, organizations, and other governments	20,548
Total net position	\$ 14,090,296

City of Pinole
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Total Fiduciary Funds
ADDITIONS:	
Property taxes	\$ 4,753,505
Investment income	49,065
Total additions	4,802,570
DEDUCTIONS:	
Operating costs	324,147
Depreciation	255,670
Interest expense	89,981
Total deductions	669,798
Change in net position	4,132,772
NET POSITION:	
Beginning of year	9,957,524
End of period	\$ 14,090,296

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Pinole
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For the Year Ended June 30, 2023

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City of Pinole
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City of Pinole
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

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

The City operates under the Council-Manager form of government, with five elected Council members served by a full-time City Manager and staff. At June 30, 2023, the City's staff comprised 93 full-time and 24 part-time employees who are responsible for the following City-provided services:

Public Safety - The City employs 19 sworn and 22 non-sworn police personnel to provide round-the-clock police services from a central station.

Sanitation - 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 13 employees. Major projects may be contracted out to reduce costs.

Recreation, Public Improvements, Planning, Zoning, Administration - Recreation, Public Improvements, Planning, Zoning, Administration and other services are provided by a total of 54 employees.

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

A. *The Reporting Entity*

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

Pinole Joint Powers Financing Authority

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation

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

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

Government-wide Financial Statements:

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

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

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

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

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

Governmental Fund Financial Statements

A Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances are presented for all major governmental funds and aggregated nonmajor funds. Accompanying schedules are presented to reconcile and explain the differences in fund balances as presented in these statements, to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Change in Fund Balances presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both “measurable” and “available” to finance expenditures of the current period.

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

The City reports the following major governmental funds:

- *General Fund* - The general fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.
- *Housing Program Special Revenue Fund* – The housing program special revenue fund is used to account for the proceeds tax increment funds through Redevelopment Property Tax Trust Funds that are restricted or committed to expenditure for approved housing activities.
- *America Rescue Plan Act Special Revenue Fund* – This fund is used to account for moneys allocated to the City from the federal government from the economic recovery bill that was signed into law by President Biden on March 11, 2021 to respond to the COVID-19 public health emergency and its negative economic impacts.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

The City reports one major proprietary fund:

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

Fiduciary Fund Financial Statements

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

The City reports the following two types of fiduciary funds:

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

C. Property Taxes

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

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

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash and Investments

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

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

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

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

E. Cash and Investments with Fiscal Agents

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

F. Fair Value Measurement

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

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

G. Accounts and Interest Receivable

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Accounts and Interest Receivable (Continued)

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

H. Prepaid Items and Inventory

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

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

I. Leases Receivable

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

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

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Leases Receivables (Continued)

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

J. Capital Assets

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

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

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

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

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

K. Subscription-Based Information Technology Arrangements (SBITAs)

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

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

L. Lease Liabilities

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

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

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

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Long Term Liabilities

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

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

N. Pension

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

The following timeframes are used for pension reporting:

<u>CalPERS</u>	
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Measurement period	July 1, 2021 to June 30, 2022

O. Other Postemployment Benefits (OPEB)

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

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

The following timeframes are reported OPEB reporting:

<u>OPEB</u>	
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Measurement period	July 1, 2021 to June 30, 2022

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Other Postemployment Benefits (OPEB)(Continued)

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

P. Deferred Outflows/Inflows of Resources

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

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

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

Q. Interfund Transactions

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Net Position and Fund Balances

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

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

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

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

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

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

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

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

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

S. *Spending Policy*

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

- Restricted
- Committed
- Assigned
- Unassigned

T. *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.

U. *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.

V. *Use of Estimates*

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

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

GASB Statement No. 91 In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations* (GASB Statement No. 91), to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 94 In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB Statement No. 94) to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 96 In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB Statement No. 96), to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset- -an intangible asset and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement had a moderate effect on the City’s financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99 - In April 2022, the GASB issued Statement No. 99, *Omnibus 2022*. The 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 Statement is effective immediately for the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63. The Statement is effective for fiscal year years beginning after June 15, 2022 for requirements related to leases, PPPs, and SBITAS. Implementation of this Statement did not have a significant effect on the City’s financial statements for the fiscal year ended June 30, 2023.

X. New GASB Pronouncements

The Agency is currently evaluating its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the City’s fiscal year ending June 30, 2024.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

X. New GASB Pronouncements(Continued)

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the City’s fiscal year ending June 30, 2025.

Note 2 – Cash and Investments

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

A. Summary of Cash and Investments

Cash and investments as of June 30, 2023 were classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position			Fiduciary Funds	
	Governmental Activities	Business-Type Activities	Total	Statement of Net Position	Total
Cash and investments	\$ 33,580,842	\$ 18,392,261	\$ 51,973,103	\$ 5,755,586	\$ 57,728,689
Cash and investments with fiscal agents	16,787,831	-	16,787,831	-	16,787,831
Total cash and investments	\$ 50,368,673	\$ 18,392,261	\$ 68,760,934	\$ 5,755,586	\$ 74,516,520

Cash and investments for the City at June 30, 2023, consisted of the following:

Cash:	
Cash on hand	\$ 1,920
Deposits with financial institution	2,587,492
Total cash	2,589,412
Investments:	
Local Agency Investment funds	33,597,160
CalTrust	3,277,010
Money Market Fund	14,259,253
Corporate Notes	921,490
Federal Agency Securities	457,675
Negotiable Certificates of Deposit	2,626,689
Restricted cash and investment with PARS	16,787,831
Total investments	71,927,108
Total cash and investments	\$ 74,516,520

B. Deposits

The carrying amount of the City’s cash deposit was \$2,587,492 at June 30, 2023. Balance before reconciling amounts was the amount of \$3,107,439 at June 30, 2023. 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.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

B. Deposits (Continued)

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

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

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

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

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

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
U.S. Treasury Obligations	5 Years	None	None
U.S. Agency Securities	5 Years	40%	None
Repurchases Agreements	30 days	10%	None
Banker's Acceptances	180 days	40%	None
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

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

D. Investments Authorized by Debt Agreements

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

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
State of Municipal Bonds or Notes rated "AA" or better	None	None	None
Repurchase Agreements rated "A" or better	30 days	None	None
Investment Agreements and Contracts	None	None	None
Money Market Funds rated "AA-m" or better	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

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, 2023:

Investments measured by fair value level:	Total	Level 2
Federal Agency Securities	\$ 457,675	\$ 457,675
Corporate Notes	921,490	921,490
Negotiable Certificates of Deposits	2,626,689	2,626,689
Total investments by fair value level	4,005,854	<u>\$ 4,005,854</u>
 Investments not subject to the fair value hierarchy:		
Local Agency Investment Fund	33,597,160	
CalTrust	3,277,010	
Restricted cash and investment with PARS	16,787,831	
Money market mutual funds	14,259,253	
Total investments not subject to the fair value hierarchy	<u>67,921,254</u>	
Total investments	<u>\$ 71,927,108</u>	

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

F. Disclosure Relating to Interest Rate Risk

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

The sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2023:

Investment Type	12 Months or less	13 to 24 Months	More than 24 Months	Total
<i>Held by City:</i>				
Money Market	\$ 14,259,253	\$ -	\$ -	\$ 14,259,253
Local Agency Investment Fund	33,597,160	-	-	33,597,160
Caltrust	3,277,010	-	-	3,277,010
Securities of U.S. Government:				
Federal agency securities	-	457,675	-	457,675
Corporate notes	-	-	921,490	921,490
Negotiable certificates of deposits	739,726	1,641,689	245,274	2,626,689
<i>Held by Trustees:</i>				
Restricted cash & investments with PARS	16,787,831	-	-	16,787,831
Total investments	\$ 68,660,980	\$ 2,099,364	\$ 1,166,764	\$ 71,927,108

G. Disclosures Relating to Credit Risk

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

Investment Type	Total	Moody's Rating as of June 30, 2023
<i>Held by City:</i>		
Securities of U.S. Government:		
Federal agency securities	\$ 457,675	Aaa
Corporate notes	921,490	Aaa
Total Rated Investments	1,379,165	
<i>Not rated:</i>		
Local Agency Investment Fund	33,597,160	
CalTrust	3,277,010	
Money market fund	14,259,253	
Negotiable certificates of deposits	2,626,689	
Restricted Cash-PARS	16,787,831	
Total investments	\$ 71,927,108	

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Cash and Investments (Continued)

G. Disclosures Relating to Credit Risk (Continued)

Concentration of Credit Risk - The City complies with the limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code. There were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments at June 30, 2023.

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

H. Investment in State and County Investment Pools

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments in LAIF at June 30, 2023 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

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 that 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 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, 2023, the City had \$33,597,160 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

Note 3 – Notes Receivable

Notes receivables of the City as of June 30, 2023, were:

Housing Rehabilitation	\$	29,929
First time Home-Buyer		236,706
Bridge Housing Loan		1,066,904
Alvarez Court		1,852,018
Eastbluff Apartment Loan		1,145,716
811 San Pablo Ave		4,380,000
Subtotal		8,711,273
Less: Allowance for uncollectible loans		(4,331,273)
Total	\$	4,380,000

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Notes Receivable (Continued)

Housing Rehabilitation The City has provided loans to various homeowners for rehabilitation of property. These loans are secured by second deeds of trust on the property and have a range of interest rates from 2% to 6% with a maximum fifteen-year term. The balance of these notes receivable totaled \$29,929 at June 30, 2023.

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, 2023 was \$236,706.

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, 2023, the outstanding balance was \$1,066,904

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, 2023, the total outstanding balance was \$1,852,018

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, 2023, the outstanding balance was \$1,145,716.

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

Allowance for doubtful accounts

The City has several programs under which it extends loans to qualifying individuals or groups for the purpose of improving the City's housing stock and/or its supply of low-and-moderate income housing. Some of these loans provide for the eventual forgiveness of the loan balance if the borrower complies with all the terms of the loan over its full term. The City has provided a 100% allowance for all notes receivable subject to long-term deferral and/or payment from future refinancing as well as all notes receivable having subordination provisions, except for those accounts that have current payment activity and are not delinquent at June 30, 2023.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Lease Receivables

The City leases various types of property including land and buildings. Leases receivable consist of agreements with other entities for the “right-to-use” the underlying assets at various locations owned by the City. The remaining terms of the agreements range from 2 to 5 years. The interest rates used calculated the net present value of the lease receivable ranged from 1.39% to 2%.

For the fiscal year ended June 30, 2023, the City recognized \$91,444 and \$9,574 in lease revenue and interest income, respectively, and the outstanding net present value of the lease receivable amount is \$644,060.

A summary of changes in lease receivable for the governmental activities for the year ended June 30, 2023 is as follows:

	Balance		Additions	Deletions	Balance		Classification	
	July 1, 2022				June 30, 2023	Due within One Year	Due in More Than One Year	
Leases receivable	\$ 722,638	\$ -	\$ (78,578)	\$ 644,060	\$ 91,064	\$ 552,996		

The future payments on the leases as of June 30, 2023 were as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 91,064	\$ 8,548	\$ 99,612
2025	80,793	7,173	87,966
2026	87,818	6,012	93,830
2027	90,234	4,770	95,004
2028	91,496	3,507	95,003
2029-2032	202,655	3,185	205,840
Total	\$ 644,060	\$ 33,195	\$ 677,255

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

Year Ending June 30,	Amortization Schedule
2024	\$ 91,444
2025	86,045
2026	86,045
2027	86,045
2028	86,045
2029-2032	186,433
Total	\$ 622,057

Note 5 – Land Held For Resale

At June 30, 2023, the City held the properties at 2100/2150 San Pablo Ave for resale or redevelopment with a total value of \$355,062.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Capital Assets

A. Governmental Activities

The following is a summary of changes in capital assets for the governmental activities for the year ended June 30 2023:

	Balance July 1, 2022, as restated	Additions	Deletions	Balance June 30, 2023
Capital assets, not being depreciated				
Land	\$ 6,313,621	\$ -	\$ -	\$ 6,313,621
Construction in progress	1,179,360	470,320	-	1,649,680
Total capital assets, not being depreciated	<u>7,492,981</u>	<u>470,320</u>	<u>-</u>	<u>7,963,301</u>
Capital assets, being depreciated				
Building and improvements	16,048,771	-	(8,370)	16,040,401
Machinery, equipment and vehicles	10,740,048	343,098	(2,357,468)	8,725,678
Infrastructure	61,027,212	51,687	-	61,078,899
Total capital assets, being depreciated	<u>87,816,031</u>	<u>394,785</u>	<u>(2,365,838)</u>	<u>85,844,978</u>
Accumulated depreciation:				
Building and improvements	(11,374,494)	(254,809)	4,190	(11,625,113)
Machinery, equipment and vehicles	(8,029,967)	(645,672)	1,644,879	(7,030,760)
Infrastructure	(44,207,866)	(736,490)	-	(44,944,356)
Total accumulated depreciation	<u>(63,612,327)</u>	<u>(1,636,971)</u>	<u>1,649,069</u>	<u>(63,600,229)</u>
Total capital assets, being depreciated, net	<u>24,203,704</u>	<u>(1,242,186)</u>	<u>(716,769)</u>	<u>22,244,749</u>
Right to use lease assets, being amortized				
Machinery, equipment and vehicles	95,874	8,057	-	103,931
Total right to use lease assets, being amortized	<u>95,874</u>	<u>8,057</u>	<u>-</u>	<u>103,931</u>
Accumulated amortization:				
Machinery, equipment and vehicles	(23,968)	(24,372)	-	(48,340)
Total accumulated amortization	<u>(23,968)</u>	<u>(24,372)</u>	<u>-</u>	<u>(48,340)</u>
Total right to use assets, being amortized, net	<u>71,906</u>	<u>(16,315)</u>	<u>-</u>	<u>55,591</u>
Subscription assets, being amortized	508,465	157,640	-	666,105
Less accumulated amortization	(357,163)	(115,682)	-	(472,845)
Total subscription assets, net	<u>151,302</u>	<u>41,958</u>	<u>-</u>	<u>193,260</u>
Total capital assets, net	<u>\$ 31,919,893</u>	<u>\$ (746,223)</u>	<u>\$ (716,769)</u>	<u>\$ 30,456,901</u>

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

General government	\$ 184,066
Public safety	430,926
Public works	1,069,592
Recreation	85,649
Community development	6,792
Total depreciation/amortization expense	<u>\$ 1,777,025</u>

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Capital Assets (Continued)

B. Business-Type Activities

The following is a summary of changes in capital assets for the business-type activities for the year ended June 30, 2023:

	July 1, 2022, as restated	Additions	Deletions	Transfers	Balance June 30, 2023
Capital assets, not being depreciated					
Construction in progress	\$ -	\$ 124,930	\$ -	\$ -	\$ 124,930
Total capital assets, not being depreciated	-	124,930	-	-	124,930
Capital assets, being depreciated					
Building and improvements	42,322,987	59,880	(1,525,795)	-	40,857,072
Equipment	2,316,830	2,645	(1,089,544)	-	1,229,931
Vehicles	742,493	177,869	-	-	920,362
Infrastructure	7,474,337	-	-	-	7,474,337
Total capital assets, being depreciated	52,856,647	240,394	(2,615,339)	-	50,481,702
Accumulated depreciation:					
Building and improvements	(5,227,088)	(785,265)	1,429,275	-	(4,583,078)
Equipment	(1,313,598)	(17,945)	1,092,998	-	(238,545)
Vehicles	(366,523)	(100,845)	-	-	(467,368)
Infrastructure	(8,111,980)	(80,856)	-	-	(8,192,836)
Total accumulated depreciation	(15,019,189)	(984,911)	2,522,273	-	(13,481,827)
Total capital assets, being depreciated, net	37,837,458	(744,517)	(93,066)	-	36,999,875
Total capital assets, net	\$ 37,837,458	\$ (619,587)	\$ (93,066)	\$ -	\$ 37,124,805

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

Wastewater Fund	984,911
Total depreciation expense	\$ 984,911

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Liabilities

A. Governmental Activities

The following is a summary of changes in the City's long-term liabilities related to governmental activities for the fiscal year ended June 30, 2023:

	Balance July 1, 2022, as restated	Additions	Retirements	Balance June 30, 2023	Classification	
					Due within One Year	Due in More Than One Year
Long-term liabilities						
2006 Pension Obligation Bonds	\$ 2,512,885	\$ -	\$ (215,586)	\$ 2,297,299	\$ 207,790	\$ 2,089,509
Leases payable:	72,619	8,057	(24,067)	56,609	25,633	30,976
Subscription payable:	118,626	157,640	(99,696)	176,570	103,386	73,184
Total long-term debts	2,704,130	165,697	(339,349)	2,530,478	336,809	2,193,669
Compensated absences	943,925	701,652	(825,610)	819,967	174,488	645,479
Total long-term liabilities	<u>\$ 3,648,055</u>	<u>\$ 867,349</u>	<u>\$ (1,164,959)</u>	<u>\$ 3,350,445</u>	<u>\$ 511,297</u>	<u>\$ 2,839,148</u>

Pension Obligation Bonds

In June 2006 the City authorized the issuance of \$16,800,000 of 2006 Series A-1 and A-2 Bonds. The Taxable Pension Obligation Bonds in the aggregate principal of \$6,214,630 were issued to finance the City's unfunded accrued actuarial liability with CalPERS. Repayment on the Bonds will be from General Fund revenues Non-voter-approved debt. Principal payments are due annually in June until 2036. As of June 30, 2023, the principal balance of outstanding bonds was \$2,297,299.

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

Year Ending June 30,	Principal	Interest	Total
2024	\$ 207,790	\$ 402,210	\$ 610,000
2025	203,321	431,679	635,000
2026	195,585	454,415	650,000
2027	191,228	483,773	675,001
2028	186,704	513,296	700,000
2029-2033	854,456	2,985,544	3,840,000
2034-2036	458,215	2,161,784	2,619,999
Total	<u>\$ 2,297,299</u>	<u>\$ 7,432,701</u>	<u>\$ 9,730,000</u>

Lease payable

The City has entered leases for the right of way leases. The terms of the agreements are 60 months. The calculated interest rate used range from 2% to 6.63%/ As of June 30, 2023, the outstanding balance of the leases is \$56,609.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Lease payable (Continued)

Principal and interest payments to maturity at June 30, 2023 are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 25,633	\$ 1,233	\$ 26,866
2025	26,219	648	26,867
2026	1,631	275	1,906
2027	1,742	165	1,907
2028	1,384	46	1,430
Total	\$ 56,609	\$ 2,367	\$ 58,976

Subscription payable

The City entered into subscription agreements with various vendors for software. The terms of the agreements are ranging from 32 months to 84 months. The calculated interest rates range from 6.47% to 6.63%. As of June 30, 2023, the capitalized right-to-use assets related to SBITAs were \$193,260 and the total subscription liability was \$176,570, of which \$103,386 is reported as a current liability representing the amount due within the next fiscal year.

The future subscription payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 103,386	\$ 10,772	\$ 114,158
2025	36,385	4,040	40,425
2026	17,809	2,440	20,249
2027	18,990	1,259	20,249
Total	\$ 176,570	\$ 18,510	\$ 195,080

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, 2023:

	Balance			Balance			Classification	
	July 01, 2022	Additions	Retirements	June 30, 2023	Due within One Year	Due in More Than One Year		
Public borrowings:								
2016 Wastewater Revenue Refunding Bond	\$ 6,321,000	\$ -	\$ (341,000)	\$ 5,980,000	\$ 347,000	\$ 5,633,000		
2016 Clean Water State Revolving Fund	24,105,949	-	(679,383)	23,426,566	690,932	22,735,634		
Total bonds payable	30,426,949	-	(1,020,383)	29,406,566	1,037,932	28,368,634		
Compensated absences	143,237	166,140	(131,106)	178,271	35,677	142,594		
Total long-term liabilities	\$ 30,570,186	\$ 166,140	\$ (1,151,489)	\$ 29,584,837	\$ 1,073,609	\$ 28,511,228		

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

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. As of June 30, 2023, the principal balance of outstanding bonds was \$5,980,000.

Future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 347,000	\$ 171,292	\$ 518,292
2025	362,000	160,834	522,834
2026	372,000	150,008	522,008
2027	381,000	138,901	519,901
2028	395,000	127,455	522,455
2029-2033	2,150,000	453,504	2,603,504
2034-2037	1,973,000	118,634	2,091,634
Total	\$ 5,980,000	\$ 1,320,628	\$ 7,300,628

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, 2023, the total debt outstanding on the loan is \$23,426,566.

Future debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 690,932	\$ 398,252	\$ 1,089,184
2025	702,678	386,506	1,089,184
2026	714,624	374,560	1,089,184
2027	726,772	362,412	1,089,184
2028	739,127	350,057	1,089,184
2029-2033	3,888,442	1,557,478	5,445,920
2034-2038	4,230,389	1,215,530	5,445,919
2039-2043	4,602,408	843,512	5,445,920
2044-2048	5,007,142	438,778	5,445,920
2049-2050	2,124,052	54,316	2,178,368
Total	\$ 23,426,566	\$ 5,981,401	\$ 29,407,967

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Interfund Transactions

A. Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2023 were as follows:

Transfers In	Transfers Out		Total
	General Fund ¹	Nonmajor Governmental Funds ²	
General Fund	\$ 2,896,444	\$ 4,071,404	\$ 6,967,848
Nonmajor Governmental Funds	1,918,824	-	1,918,824
Total	\$ 4,815,268	\$ 4,071,404	\$ 8,886,672

¹General Fund support of certain capital projects, recreation operating contribution, and IT services.

²Nonmajor Governmental Funds represents a transfer from the American Rescue Plan Act Fund to reimburse the General Fund.

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, 2023 consisted of the following:

Due From	Due To	Description	Amount
General Fund	Storm Water Fund	Deficit cash balance	\$ 97,592
General Fund	Building and Planning Fund	Deficit cash balance	1,398,659
General Fund	Public Works Capital Projects Funds	Deficit cash balance	241,752
General Fund	Cable TV	Deficit cash balance	65,943
Total			\$ 1,803,946

Note 9 – Defined Benefit Pension Plan

A. General Information about the Pension Plans

Plan Description

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – 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, 2023, are summarized as follows:

Hire Date	Miscellaneous Cost- Sharing Plans		
	Classic	PEPRA	
Benefit formula	2% @ 55	2% @ 62	
Benefit vesting schedule	5 years service	5 years service	
Benefit payments	Monthly for life	Monthly for life	
Retirement age	55	62	
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	2.0%	
Required employee contribution rates	8.000%	6.750%	
Required employer contribution rates	12.210%	7.470%	
Final Annual Compensation	1 year	3 year	

Hire Date	Safety Cost-Sharing Plans		
	Classic	PEPRA Police	PEPRA Fire
Benefit formula	3% @ 55	2.7% @ 57	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	55	50 - 57	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.700%	2.000% to 2.700%
Required employee contribution rates	9.00%	13.000%	13.000%
Required employer contribution rates	21.840%	12.780%	12.780%
Final Annual Compensation	1 year	3 years	3 years

Employees Covered

At June 30, 2022, the measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous Plans	Safety Plans
Active employees	61	35
Transferred and terminated employees	89	42
Retired employees and beneficiaries	118	102
Total	268	179

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") 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. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability. The June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds. .
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

¹ The mortality table used for June 30, 2022 was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

Change of Assumption

In 2022, the discount rate was reduced from 7.15 percent to 6.90 percent.

Long-Term Expected Rate of Return

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Defined Benefit Pension Plan (Continued)

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

Long-Term Expected Rate of Return (Continued)

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

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

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

² Figures are based on the 2021-2022 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

	Plan's Aggregate Net Pension Liability/(Asset)		
	Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Miscellaneous Plan	\$ 25,857,513	\$ 18,093,979	\$ 11,706,518
Safety Plan	35,967,168	24,214,798	14,609,891
	<u>\$ 61,824,681</u>	<u>\$ 42,308,777</u>	<u>\$ 26,316,409</u>

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Defined Benefit Pension Plan (Continued)

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

Pension Plan Fiduciary Net Position

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

Proportionate Share of Net Pension Liability and Pension Expense

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

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Miscellaneous			
Balance at: 6/30/21 (Valuation date)	\$ 53,089,849	\$ 42,169,171	10,920,678
Balance at: 6/30/22 (Measurement date)	56,951,625	38,857,646	18,093,979
Net Changes during 2021-2022	3,861,776	(3,311,525)	7,173,301
Safety			
Balance at: 6/30/21 (Valuation date)	\$ 78,104,216	\$ 65,389,834	12,714,382
Balance at: 6/30/22 (Measurement date)	85,101,396	60,886,598	24,214,798
Net Changes during 2021-2022	6,997,180	(4,503,236)	11,500,416

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, 2022, 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, 2021 rolled forward to June 30, 2022 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, 2021 and 2022 was as follows:

	Miscellaneous	Safety
Proportion June 30, 2021	0.57513%	0.36229%
Proportion June 30, 2022	0.38669%	0.35239%
Change - Increase (Decrease)	-0.18845%	-0.00990%

For the year ended June 30, 2023, the City recognized pension (credit)/expense in the amounts of (\$2,784,773) and \$1,273,687 for the miscellaneous plan and safety plan, respectively, for a total of \$(1,511,086).

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Defined Benefit Pension Plan (Continued)

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

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

As of June 30, 2022, the measurement date, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Miscellaneous Plan		Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,148,835	\$ -	\$ 2,584,516	\$ -
Difference between expected and actual experience	363,362	(243,364)	1,002,163	(262,954)
Changes in assumptions	1,854,106	-	2,441,585	-
Differences difference between projected and actual investment earnings	3,314,337	-	3,823,855	-
Adjustment due to differences in proportion Difference between the City's contributions and proportionate share of contributions	15,427	(2,104,947)	1,428,312	-
	14,355	(108,089)	-	(2,067,550)
Total	\$ 7,710,422	\$ (2,456,400)	\$ 11,280,431	\$ (2,330,504)

\$2,148,835 and \$2,584,516 reported as deferred outflows of resources related to pensions for miscellaneous plan and safety plan, respectively, resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in the future pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources	
	Miscellaneous Plan	Safety Plan
2024	\$ 511,429	\$ 1,763,970
2025	388,804	1,448,877
2026	177,793	819,964
2027	2,027,161	2,332,600
2028	-	-
Thereafter	-	-
	\$ 3,105,187	\$ 6,365,411

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 10 – Other Post-Employment Benefits (OPEB)

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	\$ 1,228,970	\$ 136,552	\$ 1,365,522
Changes in assumptions	4,319,622	479,958	4,799,580
Total deferred outflows of resources	\$ 5,548,592	\$ 616,510	\$ 6,165,102
Total OPEB liability:			
Total OPEB liability	\$ 32,657,422	\$ 3,628,603	\$ 36,286,025
Total OPEB liability	\$ 32,657,422	\$ 3,628,603	\$ 36,286,025
Deferred inflows of resources:			
Difference between expected and actual experience	\$ 3,313,752	\$ 368,195	\$ 3,681,947
Changes in assumptions	7,250,088	805,564	8,055,652
Total deferred inflows of resources	\$ 10,563,840	\$ 1,173,759	\$ 11,737,599
OPEB Expense	\$ 1,115,546	\$ 123,950	\$ 1,239,495

B. Description of the Plan

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

C. Employees Covered

As of the June 30, 2022 measurement date (June 30, 2021 valuation date), the following current and former employees were covered by the benefit terms under the Plan:

Active employees	97
Transferred and terminated employees	13
Retired employees and beneficiaries	99
Total	<u>209</u>

D. Contributions

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

D. Contributions (Continued)

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

E. Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2022, and 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.

Actuarial Assumptions:

Discount Rate	3.54%
Inflation	2.30%
Paryoll growth	2.8% wage iflation plus seniority, merit, and promotion salary increases based on CalPERS Experience Study and Review of Actuarial Assumptions published in November 2021
Investment rate of return	N/A; OPEB plan is unfunded
Healthcare Trend Rate	Based on 2021 Getzen model that reflects actual premium increases through 2023, followed by 5.50% non-Medicare / 5.30% Medicare in 2023, decreasing gradually to an ultimate rate of 4.04% in 2075

F. Discount Rate

The discount rate used to measure the total OPEB liability was 3.54%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high quality 20-year municipal bonds, as of the valuation date.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

G. Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2021 (Measurement Date)	\$ 44,238,462
Changes Recognized for the Measurement Period:	
Service Cost	1,960,338
Interest on the total OPEB liability	984,103
Difference between expected and actual experience	(343,035)
Changes of assumptions	(9,270,071)
Benefit payments	(1,283,772)
Net Changes during July 1, 2021 to June 30, 2022	(7,952,437)
Balance at June 30, 2022 (Measurement Date)	\$ 36,286,025

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:

Plan's Total OPEB Liability		
Discount Rate - 1% (2.54%)	Current Discount Rate (3.54%)	Discount Rate + 1% (4.54%)
\$ 42,667,450	\$ 36,286,025	\$ 31,285,812

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:

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Trend Rates	1%
\$ 30,605,874	\$ 36,286,025	\$ 43,626,183

H. 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: using 5 years, straight line of amortization for the net difference between projected and actual earnings on OPEB plan investment, and using expected average remaining service lifetime (EARSL) for all amounts. The City’s total OPEB liability is generally liquidated by the general fund and wastewater fund.

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

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

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$1,239,495. For the fiscal year ended June 30, 2023, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 1,365,522	\$ -
Difference between expected and actual experience	-	(3,681,947)
Changes of assumptions	4,799,580	(8,055,652)
Total	\$ 6,165,102	\$ (11,737,599)

The \$1,365,522 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30	Deferred Outflows/ (Inflows) of Resources
2024	\$ (1,133,445)
2025	(963,150)
2026	(916,966)
2027	(2,322,277)
2028	(1,602,181)
Thereafter	-
	\$ (6,938,019)

Note 11 – Fund Balance

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

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

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

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

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – 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.

	General Fund	Housing Programs Fund	Non-major Governmental Funds	Total
Nonspendable				
Prepaid items	\$ 227,938	\$ -	\$ 328,952	\$ 556,890
Inventory	15,966	-	-	15,966
Total nonspendable	243,904	-	328,952	572,856
Restricted				
Housing Redevelopment	-	8,203,719	-	8,203,719
Real estate maintenance	148,246	-	-	148,246
Public safety	-	-	1,381,784	1,381,784
Growth impact	-	-	3,340,034	3,340,034
Gas Tax	-	-	1,131,871	1,131,871
Parkland Dedication	-	-	406	406
Measure C	-	-	1,826,817	1,826,817
Refuse Management	-	-	97,901	97,901
Community development	-	-	11,776	11,776
Solid Waste	-	-	2,348,813	2,348,813
CASP Certification	-	-	42,944	42,944
Rate Stabilization	-	-	204,362	204,362
Pension Fund	14,627,313	-	-	14,627,313
Total restricted	14,775,559	8,203,719	10,386,708	33,365,986
Committed				
General reserve	9,025,297	-	-	9,025,297
Equipment reserve	286,732	-	-	286,732
Emergency reserve	100,000	-	-	100,000
Total committed	9,412,029	-	-	9,412,029
Assigned				
Capital projects	-	-	3,280,685	3,280,685
Total assigned	-	-	3,280,685	3,280,685
Unassigned (deficit)	12,123,654	-	(1,560,650)	10,563,004
Total fund balances	\$ 36,555,146	\$ 8,203,719	\$ 12,435,695	\$ 57,194,560

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Risk Management

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

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

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

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

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

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

During the fiscal year ended June 30, 2023, the City contributed \$1,679,800 for coverage.

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

Note 13 – Deficit Fund Balances

As of June 30, 2023, the following funds had a fund deficit:

Fund	Fund Type	Deficit
Recreation Fund	Special Revenue Fund	\$ (21,035)
Building & Planning Fund	Special Revenue Fund	(1,526,215)

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Successor Agency Private Purpose Trust for Assets of Former Redevelopment Agency

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

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

A. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Balance July 1, 2022,	Additions	Balance June 30, 2023
Capital assets, not being depreciated			
Land	\$ 2,429,793	\$ -	\$ 2,429,793
Total capital assets, not being depreciated	2,429,793	-	2,429,793
Capital assets, being depreciated			
Building and improvements	9,193,612	-	9,193,612
Infrastructure	3,617,484	-	3,617,484
Total capital assets, being depreciated	12,811,096	-	12,811,096
Accumulated depreciation:			
Building and improvements	(3,519,864)	(188,954)	(3,708,818)
Infrastructure	(1,816,716)	(66,716)	(1,883,432)
Total accumulated depreciation	(5,336,580)	(255,670)	(5,592,250)
Total capital assets, being depreciated, net	7,474,516	(255,670)	7,218,846
Total capital assets, net	\$ 9,904,309	\$ (255,670)	\$ 9,648,639

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, 2023:

	Balance July 1, 2022	Debt Issued	Debt Retired	Balance June 30, 2023	Classification	
					Due within One Year	Due in More Than One Year
Public borrowings:						
2015 Series A Bonds - Successor Agency Private Purpose Trust	\$ 7,790,000	\$ -	\$ (4,220,000)	\$ 3,570,000	\$ 3,570,000	\$ -
Total	\$ 7,790,000	\$ -	\$ (4,220,000)	\$ 3,570,000	\$ 3,570,000	\$ -

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Successor Agency Private Purpose Trust for Assets of Former Redevelopment Agency (Continued)

B. Long-term Liabilities (Continued)

2015 Series A Tax Allocation Bond

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. As of June 30, 2023, the principal balance of outstanding bonds was \$3,570,000 which will be paid in the fiscal year 2024.

Note 15 – Contingencies and Commitments

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

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

Note 16 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30, 2023 consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	\$ 7,963,301	\$ 124,930
Capital assets, depreciable/amortizable, net	22,493,600	36,999,875
Long-term debt:		
Retention payable	(16,645)	-
Leases payable	(56,609)	-
Subscription payable	(176,570)	-
2016 Wastewater Revenue Refunding Bond	-	(5,980,000)
2016 Clean Water State Revolving Fund	-	(23,426,566)
Total net investment in capital assets	\$ 30,207,077	\$ 7,718,239

City of Pinole
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 17 – Joint Powers Agreements

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

A. Pinole/Hercules Wastewater Treatment Plant

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

Note 18 – Prior Period Adjustments

Net position for governmental and business-type activities were restated as of July 1, 2022 as follows:

	Governmental Activities	Business-type Activities	Total
Net position, as previously reported, at July 1, 2022	\$ 13,815,771	\$ 23,886,521	\$ 37,702,292
Reclassification of related pension balances	39,689	(39,689)	-
To adjust the capital assets beginning balance	-	(5,453,169)	(5,453,169)
GASB 96 implementation	32,676	-	32,676
Net position at July 1, 2022, as restated	\$ 13,888,136	\$ 18,393,663	\$ 32,281,799

The beginning fund balance at July 1, 2022 of the General Fund financial statement was restated as follows:

Fund balance, as previously reported, at July 1, 2022	\$ 35,256,850
To adjust interest payable	30,145
Fund balance at July 1, 2022, as restated	\$ 35,286,995

The beginning net position at July 1, 2022 of the Wastewater Utility Enterprise Fund financial statement was restated as follows:

Net position, as previously reported, at July 1, 2022	\$ 23,886,521
To adjust the capital assets beginning balance	(5,453,169)
To reallocate the pension related fund balance	(39,689)
Net position at July 1, 2022, as restated	\$ 18,393,663

REQUIRED SUPPLEMENTARY INFORMATION

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City of Pinole
Required Supplementary Information
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2023

Budget and Budgetary Accounting

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

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

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City of Pinole
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 20,106,309	\$ 20,106,309	\$ 20,717,898	\$ 611,589
Intergovernmental revenues	87,026	87,026	87,236	210
Investment earnings	1,290,017	1,290,017	1,214,267	(75,750)
Rents and ground leases	126,712	126,712	95,432	(31,280)
Charges for services	1,515,477	1,515,477	1,927,404	411,927
Fines, forfeitures and penalties	22,050	22,050	17,579	(4,471)
Other revenues	23,774	23,774	26,103	2,329
Total revenues	23,171,365	23,171,365	24,085,919	914,554
EXPENDITURES:				
Current:				
General administration	3,856,832	3,990,265	4,296,051	(305,786)
Public safety	15,872,135	15,899,484	16,763,627	(864,143)
Public works	2,232,766	2,378,199	1,792,716	585,483
Recreation	454,022	454,022	355,146	98,876
Community development	527,464	572,897	398,604	174,293
Capital outlay	3,654,936	3,873,702	802,648	3,071,054
Debt Service:				
Principal	215,586	215,586	338,125	(122,539)
Interest and fiscal charges	380,521	380,521	401,206	(20,685)
Total expenditures	27,194,262	27,764,676	25,148,123	2,616,553
REVENUES OVER (UNDER) EXPENDITURES	(4,022,897)	(4,593,311)	(1,062,204)	3,531,107
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset	1,000	1,000	12,080	11,080
Proceeds from issuance of debt	-	-	165,695	165,695
Transfers in	6,842,547	6,842,547	6,967,848	125,301
Transfers out	(4,088,492)	(4,671,362)	(4,815,268)	(143,906)
Total other financing sources (uses)	2,755,055	2,172,185	2,330,355	158,170
Net change in fund balance	\$ (1,267,842)	\$ (2,421,126)	1,268,151	\$ 3,689,277
FUND BALANCE:				
Beginning of year			35,286,995	
End of year			<u>\$ 36,555,146</u>	

City of Pinole
Budgetary Comparison Schedule
Housing Programs Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment earnings	\$ 50,000	\$ 50,000	\$ 111,176	\$ 61,176
Other revenues	867,883	867,883	23,172	(844,711)
Total revenues	<u>917,883</u>	<u>917,883</u>	<u>134,348</u>	<u>(783,535)</u>
EXPENDITURES:				
Current:				
Community development	327,475	3,588,685	609,106	2,979,579
Total expenditures	<u>327,475</u>	<u>3,588,685</u>	<u>609,106</u>	<u>2,979,579</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>590,408</u>	<u>(2,670,802)</u>	<u>(474,758)</u>	<u>2,196,044</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from sale of asset	-	-	932,344	932,344
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>932,344</u>	<u>932,344</u>
Net change in fund balance	<u>\$ 590,408</u>	<u>\$ (2,670,802)</u>	457,586	<u>\$ 3,128,388</u>
FUND BALANCE:				
Beginning of year			<u>7,746,133</u>	
End of year			<u>\$ 8,203,719</u>	

City of Pinole
Budgetary Comparison Schedule
American Rescue Plan Act Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 2,302,505	\$ 2,302,505	\$ 4,071,404	\$ 1,768,899
Total revenues	<u>2,302,505</u>	<u>2,302,505</u>	<u>4,071,404</u>	<u>1,768,899</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,302,505</u>	<u>2,302,505</u>	<u>4,071,404</u>	<u>1,768,899</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,090,010)	(4,090,010)	(4,071,404)	18,606
Total other financing sources (uses)	<u>(4,090,010)</u>	<u>(4,090,010)</u>	<u>(4,071,404)</u>	<u>18,606</u>
Net change in fund balance	<u>\$ (1,787,505)</u>	<u>\$ (1,787,505)</u>	-	<u>\$ 1,787,505</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ -</u>	

City of Pinole
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
Cost-Sharing Multiple Employer Miscellaneous Plan
For the Year Ended June 30, 2023

	Miscellaneous Plan				
Measurement period, year ended	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Plan's proportion of the net pension liability	0.2655100%	0.2659200%	0.2713000%	0.2715300%	0.2770700%
Plan's proportionate share of the net pension liability	\$ 18,093,979	\$ 10,920,678	\$ 16,004,315	\$ 15,121,848	\$ 14,125,442
Plan's covered-employee payroll	\$ 5,786,490	\$ 5,156,131	\$ 4,783,129	\$ 4,343,990	\$ 4,157,778
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	312.69%	211.80%	334.60%	348.11%	339.74%
Plan's fiduciary net position	\$ 38,857,645	\$ 42,169,171	\$ 35,326,833	\$ 33,710,618	\$ 32,674,876
Plan's fiduciary net position as a percentage of the total pension liability	68.23%	79.43%	68.82%	69.03%	69.82%

¹ Information only presented from the implementation year

City of Pinole
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
Cost-Sharing Multiple Employer Miscellaneous Plan
For the Year Ended June 30, 2023

	Miscellaneous Plan			
Measurement period, year ended	6/30/2017	6/30/2016	6/30/2015	6/30/2014 ¹
Plan's proportion of the net pension liability	0.2846100%	0.2849400%	0.2990880%	0.1255000%
Plan's proportionate share of the net pension liability	\$ 14,317,779	\$ 12,368,264	\$ 10,147,708	\$ 7,809,298
Plan's covered-employee payroll	\$ 3,865,597	\$ 3,643,157	\$ 3,755,854	\$ 3,769,634
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	370.39%	339.49%	270.18%	207.16%
Plan's fiduciary net position	\$ 31,266,917	\$ 28,655,555	\$ 30,646,409	\$ 12,287,961
Plan's fiduciary net position as a percentage of the total pension liability	68.59%	69.85%	75.12%	61.14%

¹ Information only presented from the implementation year

City of Pinole
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
Cost-Sharing Multiple Employer Safety Plan
For the Year Ended June 30, 2023

	Safety Plan				
Measurement period, year ended	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Plan's proportion of the net pension liability	0.303110%	0.297990%	0.304450%	0.311100%	0.308530%
Plan's proportionate share of the net pension liability	\$ 24,214,798	\$ 12,714,382	\$ 20,693,050	\$ 18,793,747	\$ 17,290,615
Plan's covered-employee payroll	\$ 4,754,353	\$ 4,359,543	\$ 4,197,326	\$ 4,144,060	\$ 5,496,056
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	509.32%	129.11%	241.00%	224.74%	213.58%
Plan's fiduciary net position	\$ 60,886,598	\$ 65,389,834	\$ 54,757,252	\$ 54,136,140	\$ 50,751,672
Plan's fiduciary net position as a percentage of the total pension liability	71.55%	83.72%	72.57%	74.23%	74.59%

¹ Information only presented from the implementation year

City of Pinole
Required Supplementary Information
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios (Continued)
Cost-Sharing Multiple Employer Safety Plan
For the Year Ended June 30, 2023

	Safety Plan			
Measurement period, year ended	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u> ¹
Plan's proportion of the net pension liability	0.310790%	0.315420%	0.318363%	0.172860%
Plan's proportionate share of the net pension liability	\$ 17,051,864	\$ 14,755,488	\$ 11,004,090	\$ 10,753,040
Plan's covered-employee payroll	\$ 3,655,556	\$ 3,827,739	\$ 3,931,175	\$ 3,889,522
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	219.99%	196.37%	161.75%	151.85%
Plan's fiduciary net position	\$ 48,664,063	\$ 45,052,163	\$ 46,720,579	\$ 45,904,832
Plan's fiduciary net position as a percentage of the total pension liability	74.05%	75.33%	80.94%	81.02%

¹ Information only presented from the implementation year

City of Pinole
Required Supplementary Information
Schedule of Contributions - Pensions
Cost-Sharing Multiple Employer Miscellaneous Plan
For the Year Ended June 30, 2023

Fiscal Year:	Miscellaneous Plan				
	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually determined contribution (actuarially determined)	\$ 2,148,835	\$ 1,888,941	\$ 1,689,822	\$ 1,503,913	\$ 1,302,704
Contributions in relation to the actuarially determined contributions	(2,148,835)	(1,888,941)	(1,689,822)	(1,503,913)	(1,302,704)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 7,092,800	\$ 5,786,490	\$ 5,156,131	\$ 4,782,129	\$ 4,343,990
Contributions as a percentage of covered payroll	30.30%	32.64%	32.77%	31.45%	29.99%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

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

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2023 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2023 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.800%
Investment rate of return	6.9% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 and 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 and 2019. Preretirement and Post-retirement mortality rates include generational mortality improvement using

City of Pinole
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
Cost-Sharing Multiple Employer Miscellaneous Plan
For the Year Ended June 30, 2023

Fiscal Year:	Miscellaneous Plan			
	<u>2017-18</u>	<u>2016-17</u>	<u>2015-16</u>	<u>2014-15</u>
Contractually determined contribution (actuarially determined)	\$ 1,058,603	\$ 941,653	\$ 853,299	\$ 641,629
Contributions in relation to the actuarially determined contributions	(1,058,603)	(941,653)	(853,299)	(641,629)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,157,778	\$ 3,865,597	\$ 3,643,157	\$ 3,755,854
Contributions as a percentage of covered payroll	25.46%	24.36%	23.42%	17.08%

City of Pinole
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
Cost-Sharing Multiple Employer Safety Plan
For the Year Ended June 30, 2023

Fiscal Year:	Safety Plan				
	2022-23	2021-22	2020-21	2019-20	2018-19
Contractually determined contribution (actuarially determined)	\$ 2,584,516	\$ 2,386,694	\$ 2,099,289	\$ 1,863,419	\$ 1,584,004
Contributions in relation to the actuarially determined contributions	(2,584,516)	(2,386,694)	(2,099,289)	(1,863,419)	(1,584,004)
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 4,737,035	\$ 4,754,358	\$ 4,359,543	\$ 4,197,326	\$ 4,144,060
Contributions as a percentage of covered payroll	54.56%	50.20%	48.15%	44.40%	38.22%

Notes to Schedule

Methods and assumptions used to determine contribution rates:

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

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2023 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2023 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.800%
Investment rate of return	6.9% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 and 2019.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 and 2019. Preretirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

City of Pinole
Required Supplementary Information
Schedule of Contributions - Pensions (Continued)
Cost-Sharing Multiple Employer Safety Plan
For the Year Ended June 30, 2023

Fiscal Year:	Safety Plan			
	2017-18	2016-17	2015-16	2014-15
Contractually determined contribution (actuarially determined)	\$ 1,239,511	\$ 1,125,572	\$ 1,027,403	\$ 826,196
Contributions in relation to the actuarially determined contributions	(1,239,511)	(1,125,572)	(1,027,403)	(826,196)
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Covered payroll	\$ 3,496,056	\$ 3,655,556	\$ 3,827,739	\$ 3,931,175
Contributions as a percentage of covered payroll	35.45%	30.79%	26.84%	21.02%

City of Pinole
Required Supplementary Information
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2023

Measurement period, year ending:	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>
Total OPEB liability				
Service cost	\$ 1,960,338	\$ 2,241,980	\$ 1,615,428	\$ 1,227,488
Interest	984,103	1,063,633	1,308,423	1,391,794
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(343,035)	(4,050,407)	-	(2,333,030)
Changes of assumptions	(9,270,071)	(270,144)	8,431,861	1,956,937
Benefit payments, including refunds of member contributions	(1,283,772)	(1,258,835)	(1,223,092)	(1,199,486)
Change in total OPEB liability	<u>(7,952,437)</u>	<u>(2,273,773)</u>	<u>10,132,620</u>	<u>1,043,703</u>
Total OPEB liability - beginning	<u>44,238,462</u>	<u>46,512,235</u>	<u>36,379,615</u>	<u>35,335,912</u>
Total OPEB liability - ending (a)	<u><u>\$ 36,286,025</u></u>	<u><u>\$ 44,238,462</u></u>	<u><u>\$ 46,512,235</u></u>	<u><u>\$ 36,379,615</u></u>
Covered-employee payroll	\$ 11,487,256	\$ 10,998,667	\$ 10,708,319	\$ 10,199,027
Plan net OPEB liability as a percentage of covered-employee payroll	315.88%	402.22%	434.36%	356.70%

Notes to Schedule

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

¹ Information only presented from the implementation year

Change of assumptions:

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

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

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

City of Pinole
Required Supplementary Information
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios (Continued)
For the Year Ended June 30, 2023

Measurement period, year ending:	6/30/2018	6/30/2017 ¹
Total OPEB liability		
Service cost	\$ 1,274,335	\$ 1,472,000
Interest	1,298,734	1,128,000
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	(1,655,481)	(4,636,000)
Benefit payments, including refunds of member contributions	(1,169,676)	(986,000)
Change in total OPEB liability	(252,088)	(3,022,000)
Total OPEB liability - beginning	35,588,000	38,610,000
Total OPEB liability - ending (a)	\$ 35,335,912	\$ 35,588,000
Covered-employee payroll	\$ 9,399,404	\$ 9,306,000
Plan net OPEB liability as a percentage of covered-employee payroll	375.94%	382.42%

Notes to Schedule

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

¹ Information only presented from the implementation year

Change of assumptions:

June 30, 2020, discount rate was updated based on municipal bond rate and ACA Excise Tax removed
June 30, 2021, discount rate has decreased from 2.21% to 2.16% based on updated municipal bond index
June 30, 2022, discount rate has increased from 2.16% to 3.54% based on updated municipal bond index

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SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

Capital Projects Funds:

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

Special Revenue Funds:

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

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

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

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

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

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

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

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

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

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

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

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

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

Non-Major Governmental Funds (Continued)

Special Revenue Funds (Continued):

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

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

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City of Pinole
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023

	Capital Projects Fund		Special Revenue Funds		
	Public Works				
	Capital Projects	Growth Impact	Gas Tax	Parkland Dedication	Measure C
ASSETS					
Cash and investments	\$ 3,568,697	\$ 3,323,296	\$ 1,009,892	\$ -	\$ 1,833,498
Accounts receivable	-	-	182,924	-	-
Lease receivable	-	-	-	-	-
Interest receivable	-	16,738	5,362	406	10,840
Prepaid items and supplies	-	-	-	-	315,552
Total assets	<u>\$ 3,568,697</u>	<u>\$ 3,340,034</u>	<u>\$ 1,198,178</u>	<u>\$ 406</u>	<u>\$ 2,159,890</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	46,260	-	66,307	-	17,521
Accrued liabilities	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	241,752	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>288,012</u>	<u>-</u>	<u>66,307</u>	<u>-</u>	<u>17,521</u>
Deferred inflows of resources:					
Lease receivables	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Nonspendable	-	-	-	-	315,552
Restricted	-	3,340,034	1,131,871	406	1,826,817
Assigned	3,280,685	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	<u>3,280,685</u>	<u>3,340,034</u>	<u>1,131,871</u>	<u>406</u>	<u>2,142,369</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 3,568,697</u>	<u>\$ 3,340,034</u>	<u>\$ 1,198,178</u>	<u>\$ 406</u>	<u>\$ 2,159,890</u>

(Continued)

City of Pinole
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

Special Revenue Funds

	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police	Cable TV
ASSETS					
Cash and investments	\$ -	\$ 92,330	\$ 36,743	\$ 1,274,483	\$ 7,203
Accounts receivables	102,376	4,989	-	64,358	85,188
Lease receivable	-	-	-	-	-
Interest receivable	-	582	237	7,211	-
Prepaid items and supplies	-	-	-	-	-
Total assets	<u>\$ 102,376</u>	<u>\$ 97,901</u>	<u>\$ 36,980</u>	<u>\$ 1,346,052</u>	<u>\$ 92,391</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	784	-	884	-	223
Accrued liabilities	-	-	-	112	8,119
Unearned revenue	-	-	-	252	6,524
Deposits payable	4,000	-	-	-	-
Due to other funds	97,592	-	-	-	65,943
Advances from other funds	-	-	-	-	-
Total liabilities	<u>102,376</u>	<u>-</u>	<u>884</u>	<u>364</u>	<u>80,809</u>
Deferred inflows of resources:					
Lease receivables	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits):					
Nonspendable	-	-	-	-	-
Restricted	-	97,901	36,096	1,345,688	11,582
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>97,901</u>	<u>36,096</u>	<u>1,345,688</u>	<u>11,582</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 102,376</u>	<u>\$ 97,901</u>	<u>\$ 36,980</u>	<u>\$ 1,346,052</u>	<u>\$ 92,391</u>

(Continued)

City of Pinole
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

Special Revenue Funds

	Recreation	Building & Planning	Development Services	Solid Waste Fund	CASP Certification & Training
ASSETS					
Cash and investments	\$ 47,323	\$ 49	\$ 66,471	\$ 2,225,711	\$ 42,998
Accounts receivables	12,789	390,460	-	112,068	40
Lease receivable	11,386	-	-	-	-
Interest receivable	-	-	426	13,058	-
Prepaid items and supplies	13,400	-	-	-	-
Total assets	\$ 84,898	\$ 390,509	\$ 66,897	\$ 2,350,837	\$ 43,038
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	64,237	442,733	7,582	2,024	94
Accrued liabilities	26,326	26,866	-	-	-
Unearned revenue	330	-	-	-	-
Deposits payable	9,640	48,466	59,121	-	-
Due to other funds	-	1,398,659	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	100,533	1,916,724	66,703	2,024	94
Deferred inflows of resources:					
Lease receivables	5,400	-	-	-	-
Total deferred inflows of resources	5,400	-	-	-	-
Fund Balances (Deficits):					
Nonspendable	13,400	-	-	-	-
Restricted	-	-	194	2,348,813	42,944
Assigned	-	-	-	-	-
Unassigned (deficit)	(34,435)	(1,526,215)	-	-	-
Total fund balances (deficits)	(21,035)	(1,526,215)	194	2,348,813	42,944
Total liabilities, deferred inflows of resources, and fund balances	\$ 84,898	\$ 390,509	\$ 66,897	\$ 2,350,837	\$ 43,038

(Continued)

City of Pinole
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
June 30, 2023

	Special Revenue Funds	Total
	Rate Stablization	Nonmajor Governmental Funds
ASSETS		
Cash and investments	\$ 203,169	\$ 13,731,863
Accounts receivables	-	955,192
Lease receivable	-	11,386
Interest receivable	1,193	56,053
Prepaid items and supplies	-	328,952
Total assets	\$ 204,362	\$ 15,083,446
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
Liabilities:		
Accounts payable	-	648,649
Accrued liabilities	-	61,423
Unearned revenue	-	7,106
Deposits payable	-	121,227
Due to other funds	-	1,803,946
Advances from other funds	-	-
Total liabilities	-	2,642,351
Deferred inflows of resources:		
Lease receivables	-	5,400
Total deferred inflows of resources	-	5,400
Fund Balances (Deficits):		
Nonspendable	-	328,952
Restricted	204,362	10,386,708
Assigned	-	3,280,685
Unassigned (deficit)	-	(1,560,650)
Total fund balances (deficits)	204,362	12,435,695
Total liabilities, deferred inflows of resources, and fund balances	\$ 204,362	\$ 15,083,446

City of Pinole
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Fund		Special Revenue Funds		
	Public Works Capital Projects	Growth Impact	Gas Tax	Parkland Dedication	Measure C
REVENUES:					
Taxes and assessments	\$ 52,256	\$ -	\$ -	\$ -	\$ -
Intergovernmental revenues	837,918	-	905,449	-	49,790
Investment earnings (losses)	(283)	60,820	19,555	766	40,587
Rents and ground leases	-	-	-	-	-
Charges for services	-	577,389	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Other revenues	-	-	1,417	-	-
Total revenues	889,891	638,209	926,421	766	90,377
EXPENDITURES:					
Current:					
General administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	48,101	-	507,442	-	212,502
Recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	454,841	-	16,412	-	60,954
Total expenditures	502,942	-	523,854	-	273,456
REVENUES OVER (UNDER) EXPENDITURES	386,949	638,209	402,567	766	(183,079)
OTHER FINANCING SOURCES (USES):					
Transfers in	500,000	-	-	22,293	-
Total other financing sources (uses)	500,000	-	-	22,293	-
NET CHANGES IN FUND BALANCES	886,949	638,209	402,567	23,059	(183,079)
FUND BALANCES (DEFICITS):					
Beginning of year	2,393,736	2,701,825	729,304	(22,653)	2,325,448
End of year	\$ 3,280,685	\$ 3,340,034	\$ 1,131,871	\$ 406	\$ 2,142,369

(Continued)

City of Pinole
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Storm Water	Refuse Management	Adjudicated Asset Seizure	Police	Cable TV
REVENUES:					
Taxes and assessments	\$ 257,888	\$ -	\$ -	\$ 239,924	\$ 18,756
Intergovernmental revenues	-	66,948	-	165,271	-
Investment earnings (losses)	(819)	2,213	869	26,795	-
Rents and ground leases	-	-	-	-	-
Charges for services	-	-	-	-	277,903
Fines, forfeitures and penalties	-	-	-	26,111	-
Other revenues	-	-	-	-	-
Total revenues	257,069	69,161	869	458,101	296,659
EXPENDITURES:					
Current:					
General administration	-	-	-	-	497,627
Public safety	-	-	16,000	324,554	-
Public works	293,564	122,103	-	-	-
Recreation	-	-	-	-	-
Community development	-	-	-	-	-
Capital outlay	-	-	6,348	-	4,978
Total expenditures	293,564	122,103	22,348	324,554	502,605
REVENUES OVER (UNDER) EXPENDITURES	(36,495)	(52,942)	(21,479)	133,547	(205,946)
OTHER FINANCING SOURCES (USES):					
Transfers in	75,433	-	-	-	222,755
Total other financing sources (uses)	75,433	-	-	-	222,755
NET CHANGES IN FUND BALANCES	38,938	(52,942)	(21,479)	133,547	16,809
FUND BALANCES (DEFICITS):					
Beginning of year	(38,938)	150,843	57,575	1,212,141	(5,227)
End of year	\$ -	\$ 97,901	\$ 36,096	\$ 1,345,688	\$ 11,582

(Continued)

City of Pinole
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2023

Special Revenue Funds

	Recreation	Building & Planning	Development Services	Solid Waste Fund	CASP Certification & Training
REVENUES:					
Taxes and assessments	\$ -	\$ 496,067	\$ -	\$ -	\$ -
Intergovernmental revenues	-	20,000	-	-	-
Investment earnings (losses)	(3,470)	(18,196)	1,592	48,432	-
Rents and ground leases	21,256	-	-	-	-
Charges for services	429,974	710,036	-	-	7,354
Fines, forfeitures and penalties	-	8,902	-	-	-
Other revenues	9,518	32	-	433,111	-
Total revenues	457,278	1,216,841	1,592	481,543	7,354
EXPENDITURES:					
Current:					
General administration	7,068	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	94,152	-
Recreation	1,575,076	-	-	-	-
Community development	-	2,210,301	-	-	-
Capital outlay	-	-	-	101,802	-
Total expenditures	1,582,144	2,210,301	-	195,954	-
REVENUES OVER (UNDER) EXPENDITURES	(1,124,866)	(993,460)	1,592	285,589	7,354
OTHER FINANCING SOURCES (USES):					
Transfers in	1,098,343	-	-	-	-
Total other financing sources (uses)	1,098,343	-	-	-	-
NET CHANGES IN FUND BALANCES	(26,523)	(993,460)	1,592	285,589	7,354
FUND BALANCES (DEFICITS):					
Beginning of year	5,488	(532,755)	(1,398)	2,063,224	35,590
End of year	\$ (21,035)	\$ (1,526,215)	\$ 194	\$ 2,348,813	\$ 42,944

(Continued)

City of Pinole
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds	Total
	Rate Stabilization	Nonmajor Funds Total
REVENUES:		
Taxes and assessments	\$ -	\$ 1,064,891
Intergovernmental revenues	-	2,045,376
Investment earnings (losses)	4,403	183,264
Rents and ground leases	-	21,256
Charges for services	-	2,002,656
Fines, forfeitures and penalties	-	35,013
Other revenues	-	444,078
Total revenues	4,403	5,796,534
EXPENDITURES:		
Current:		
General administration	-	504,695
Public safety	-	340,554
Public works	-	1,277,864
Recreation	-	1,575,076
Community development	-	2,210,301
Capital outlay	-	645,335
Total expenditures	-	6,553,825
REVENUES OVER (UNDER) EXPENDITURES	4,403	(757,291)
OTHER FINANCING SOURCES (USES):		
Transfers in	-	1,918,824
Total other financing sources (uses)	-	1,918,824
NET CHANGES IN FUND BALANCES	4,403	1,161,533
FUND BALANCES (DEFICITS):		
Beginning of year	199,959	11,274,162
End of year	\$ 204,362	\$ 12,435,695

(Continued)

City of Pinole
Budgetary Comparison Schedule
Public Works Capital Projects
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 56,411	\$ 56,411	\$ 52,256	\$ (4,155)
Intergovernmental revenues	1,590,968	1,590,968	837,918	(753,050)
Investment earnings	-	-	(283)	(283)
Rents and ground leases	15,000	15,000	-	(15,000)
Other revenues	7,500	7,500	-	(7,500)
Total revenues	<u>1,669,879</u>	<u>1,669,879</u>	<u>889,891</u>	<u>(779,988)</u>
EXPENDITURES:				
Current:				
Public works	71,460	71,460	48,101	23,359
Capital outlay	2,782,003	2,782,003	454,841	2,327,162
Total expenditures	<u>2,853,463</u>	<u>2,853,463</u>	<u>502,942</u>	<u>2,350,521</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,183,584)</u>	<u>(1,183,584)</u>	<u>386,949</u>	<u>1,570,533</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	500,000	500,000	500,000	-
Total other financing sources (uses)	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (683,584)</u>	<u>\$ (683,584)</u>	<u>886,949</u>	<u>\$ 1,570,533</u>
FUND BALANCE:				
Beginning of year			<u>2,393,736</u>	
End of year			<u>\$ 3,280,685</u>	

City of Pinole
Budgetary Comparison Schedule
Growth Impact Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 60,820	\$ 60,820
Charges for services	1,608,476	493,000	577,389	84,389
Total revenues	<u>1,608,476</u>	<u>493,000</u>	<u>638,209</u>	<u>145,209</u>
EXPENDITURES:				
Current:				
Capital outlay	58,000	58,000	-	58,000
Total expenditures	<u>58,000</u>	<u>58,000</u>	<u>-</u>	<u>58,000</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,550,476</u>	<u>435,000</u>	<u>638,209</u>	<u>203,209</u>
Net change in fund balance	<u>\$ 1,550,476</u>	<u>\$ 435,000</u>	<u>638,209</u>	<u>\$ 203,209</u>
FUND BALANCE:				
Beginning of year			<u>2,701,825</u>	
End of year			<u>\$ 3,340,034</u>	

City of Pinole
Budgetary Comparison Schedule
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 990,635	\$ 990,635	\$ 905,449	\$ (85,186)
Investment earnings	5,000	5,000	19,555	14,555
Other revenues	7,636	7,636	1,417	(6,219)
Total revenues	<u>1,003,271</u>	<u>1,003,271</u>	<u>926,421</u>	<u>(76,850)</u>
EXPENDITURES:				
Current:				
Public works	560,647	560,647	507,442	53,205
Capital outlay	583,910	633,910	16,412	617,498
Total expenditures	<u>1,144,557</u>	<u>1,194,557</u>	<u>523,854</u>	<u>670,703</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(141,286)</u>	<u>(191,286)</u>	<u>402,567</u>	<u>593,853</u>
Net change in fund balance	<u>\$ (141,286)</u>	<u>\$ (191,286)</u>	<u>402,567</u>	<u>\$ 593,853</u>
FUND BALANCE:				
Beginning of year			<u>729,304</u>	
End of year			<u>\$ 1,131,871</u>	

City of Pinole
Budgetary Comparison Schedule
Parkland Dedication Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 766	\$ 766
Charges for services	1,293,134	-	-	-
Total revenues	<u>1,293,134</u>	<u>-</u>	<u>766</u>	<u>766</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,293,134</u>	<u>-</u>	<u>766</u>	<u>766</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	22,294	22,293	(1)
Total other financing sources (uses)	<u>-</u>	<u>22,294</u>	<u>22,293</u>	<u>(1)</u>
Net change in fund balance	<u>\$ 1,293,134</u>	<u>\$ 22,294</u>	23,059	<u>\$ 765</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(22,653)</u>	
End of year			<u>\$ 406</u>	

City of Pinole
Budgetary Comparison Schedule
Measure C Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 382,848	\$ 382,848	\$ 49,790	\$ (333,058)
Investment earnings	8,000	8,000	40,587	32,587
Total revenues	<u>390,848</u>	<u>390,848</u>	<u>90,377</u>	<u>(300,471)</u>
EXPENDITURES:				
Current:				
Public works	257,880	265,849	212,502	53,347
Capital outlay	382,000	379,031	60,954	318,077
Total expenditures	<u>639,880</u>	<u>644,880</u>	<u>273,456</u>	<u>371,424</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(249,032)</u>	<u>(254,032)</u>	<u>(183,079)</u>	<u>70,953</u>
Net change in fund balance	<u>\$ (249,032)</u>	<u>\$ (254,032)</u>	<u>(183,079)</u>	<u>\$ 70,953</u>
FUND BALANCE:				
Beginning of year			<u>2,325,448</u>	
End of year			<u>\$ 2,142,369</u>	

City of Pinole
Budgetary Comparison Schedule
Storm Water Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 253,272	\$ 253,272	\$ 257,888	\$ 4,616
Investment earnings	150.00	150.00	(819)	(969)
Total revenues	<u>253,422</u>	<u>253,422</u>	<u>257,069</u>	<u>3,647</u>
EXPENDITURES:				
Current:				
Public works	336,938	336,938	293,564	43,374
Total expenditures	<u>336,938</u>	<u>336,938</u>	<u>293,564</u>	<u>43,374</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(83,516)</u>	<u>(83,516)</u>	<u>(36,495)</u>	<u>47,021</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	75,433	75,433	-
Total other financing sources (uses)	<u>-</u>	<u>75,433</u>	<u>75,433</u>	<u>-</u>
Net change in fund balance	<u>\$ (83,516)</u>	<u>\$ (8,083)</u>	38,938	<u>\$ 47,021</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(38,938)</u>	
End of year			<u>\$ -</u>	

City of Pinole
Budgetary Comparison Schedule
Refuse Management Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 60,060	\$ 60,060	\$ 66,948	\$ 6,888
Investment earnings	6,000	6,000	2,213	(3,787)
Total revenues	<u>66,060</u>	<u>66,060</u>	<u>69,161</u>	<u>3,101</u>
EXPENDITURES:				
Current:				
Public works	167,825	167,825	122,103	45,722
Total expenditures	<u>167,825</u>	<u>167,825</u>	<u>122,103</u>	<u>45,722</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(101,765)</u>	<u>(101,765)</u>	<u>(52,942)</u>	<u>48,823</u>
Net change in fund balance	<u>\$ (101,765)</u>	<u>\$ (101,765)</u>	<u>(52,942)</u>	<u>\$ 48,823</u>
FUND BALANCE:				
Beginning of year			<u>150,843</u>	
End of year			<u>\$ 97,901</u>	

City of Pinole
Budgetary Comparison Schedule
Adjudicated Asset Seizure Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 869	\$ 869
Total revenues	<u>-</u>	<u>-</u>	<u>869</u>	<u>869</u>
EXPENDITURES:				
Current:				
Public safety	58,231	58,231	16,000	42,231
Capital outlay	-	-	6,348	(6,348)
Total expenditures	<u>58,231</u>	<u>58,231</u>	<u>22,348</u>	<u>35,883</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(58,231)</u>	<u>(58,231)</u>	<u>(21,479)</u>	<u>36,752</u>
Net change in fund balance	<u>\$ (58,231)</u>	<u>\$ (58,231)</u>	<u>(21,479)</u>	<u>\$ 36,752</u>
FUND BALANCE:				
Beginning of year			<u>57,575</u>	
End of year			<u>\$ 36,096</u>	

City of Pinole
Budgetary Comparison Schedule
Police Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 170,266	\$ 170,266	\$ 239,924	\$ 69,658
Intergovernmental revenues	156,727	156,727	165,271	8,544
Investment earnings	5,600	5,600	26,795	21,195
Fines, forfeitures and penalties	45,000	45,000	26,111	(18,889)
Total revenues	<u>377,593</u>	<u>377,593</u>	<u>458,101</u>	<u>80,508</u>
EXPENDITURES:				
Current:				
Public safety	511,991	511,991	324,554	187,437
Capital outlay	7,500	7,500	-	7,500
Total expenditures	<u>519,491</u>	<u>519,491</u>	<u>324,554</u>	<u>194,937</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(141,898)</u>	<u>(141,898)</u>	<u>133,547</u>	<u>275,445</u>
Net change in fund balance	<u>\$ (141,898)</u>	<u>\$ (141,898)</u>	<u>133,547</u>	<u>\$ 275,445</u>
FUND BALANCE:				
Beginning of year			<u>1,212,141</u>	
End of year			<u>\$ 1,345,688</u>	

City of Pinole
Budgetary Comparison Schedule
Cable TV Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 52,972	\$ 52,972	\$ 18,756	\$ (34,216)
Charges for services	316,956	316,956	277,903	(39,053)
Other revenues	5,000	5,000	-	(5,000)
Total revenues	<u>374,928</u>	<u>374,928</u>	<u>296,659</u>	<u>(78,269)</u>
EXPENDITURES:				
Current:				
General administration	596,395	596,395	497,627	98,768
Capital outlay	50,387	50,387	4,978	45,409
Total expenditures	<u>646,782</u>	<u>646,782</u>	<u>502,605</u>	<u>144,177</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(271,854)</u>	<u>(271,854)</u>	<u>(205,946)</u>	<u>65,908</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	160,124	222,755	222,755	-
Total other financing sources (uses)	<u>160,124</u>	<u>222,755</u>	<u>222,755</u>	<u>-</u>
Net change in fund balance	<u>\$ (111,730)</u>	<u>\$ (49,099)</u>	16,809	<u>\$ 65,908</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(5,227)</u>	
End of year			<u>\$ 11,582</u>	

City of Pinole
Budgetary Comparison Schedule
Recreation Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental revenues	\$ 51,268	\$ 51,268	\$ -	\$ (51,268)
Investment earnings	-	-	(3,470)	(3,470)
Rents and ground leases	107,913	19,513	21,256	1,743
Charges for services	385,016	397,636	429,974	32,338
Other revenues	13,803	19,803	9,518	(10,285)
Total revenues	<u>558,000</u>	<u>488,220</u>	<u>457,278</u>	<u>(30,942)</u>
EXPENDITURES:				
Current:				
General administration	-	-	7,068	(7,068)
Recreation	1,811,034	1,986,815	1,575,076	411,739
Capital outlay	107,000	107,000	-	107,000
Total expenditures	<u>1,918,034</u>	<u>2,093,815</u>	<u>1,582,144</u>	<u>511,671</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,360,034)</u>	<u>(1,605,595)</u>	<u>(1,124,866)</u>	<u>480,729</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	675,831	1,098,343	1,098,343	-
Total other financing sources (uses)	<u>675,831</u>	<u>1,098,343</u>	<u>1,098,343</u>	<u>-</u>
Net change in fund balance	<u>\$ (684,203)</u>	<u>\$ (507,252)</u>	<u>(26,523)</u>	<u>\$ 480,729</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>5,488</u>	
End of year			<u>\$ (21,035)</u>	

City of Pinole
Budgetary Comparison Schedule
Building and Planning Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes and assessments	\$ 2,427,800	\$ 551,383	\$ 496,067	\$ (55,316)
Intergovernmental revenues	225,000	225,000	20,000	(205,000)
Investment earnings	7,000	7,000	(18,196)	(25,196)
Charges for services	2,162,649	1,499,169	710,036	(789,133)
Fines, forfeitures and penalties	-	-	8,902	8,902
Other revenues	6,000	6,000	32	(5,968)
Total revenues	<u>4,828,449</u>	<u>2,288,552</u>	<u>1,216,841</u>	<u>(1,071,711)</u>
EXPENDITURES:				
Community development	2,406,793	2,375,760	2,210,301	165,459
Capital outlay	4,000	4,000	-	4,000
Total expenditures	<u>2,410,793</u>	<u>2,379,760</u>	<u>2,210,301</u>	<u>169,459</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>2,417,656</u>	<u>(91,208)</u>	<u>(993,460)</u>	<u>(902,252)</u>
Net change in fund balance	<u>\$ 2,417,656</u>	<u>\$ (91,208)</u>	<u>(993,460)</u>	<u>\$ (902,252)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(532,755)</u>	
End of year			<u>\$ (1,526,215)</u>	

City of Pinole
Budgetary Comparison Schedule
Development Services Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 1,592	\$ 1,592
Total revenues	<u>-</u>	<u>-</u>	<u>1,592</u>	<u>1,592</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,592</u>	<u>1,592</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,592</u>	<u>\$ 1,592</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(1,398)</u>	
End of year			<u>\$ 194</u>	

City of Pinole
Budgetary Comparison Schedule
Solid Waste Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment earnings	\$ 8,000	\$ 8,000	\$ 48,432	\$ 40,432
Other revenues	360,000	360,000	433,111	73,111
Total revenues	<u>368,000</u>	<u>368,000</u>	<u>481,543</u>	<u>113,543</u>
EXPENDITURES:				
Current:				
Public works	155,478	155,478	94,152	61,326
Capital outlay	527,300	227,300	101,802	125,498
Total expenditures	<u>682,778</u>	<u>382,778</u>	<u>195,954</u>	<u>186,824</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(314,778)</u>	<u>(14,778)</u>	<u>285,589</u>	<u>300,367</u>
Net change in fund balance	<u>\$ (314,778)</u>	<u>\$ (14,778)</u>	<u>285,589</u>	<u>\$ 300,367</u>
FUND BALANCE:				
Beginning of year			<u>2,063,224</u>	
End of year			<u>\$ 2,348,813</u>	

City of Pinole
Budgetary Comparison Schedule
CASP Certification & Training Special Revenue Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ -	\$ 7,354	\$ 7,354
Total revenues	<u>-</u>	<u>-</u>	<u>7,354</u>	<u>7,354</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>7,354</u>	<u>7,354</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>7,354</u>	<u>\$ 7,354</u>
FUND BALANCE:				
Beginning of year			<u>35,590</u>	
End of year			<u>\$ 42,944</u>	

City of Pinole
Budgetary Comparison Schedule
Rate Stabilization Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Investment earnings	\$ -	\$ -	\$ 4,403	\$ 4,403
Other revenues	15,000	15,000	-	(15,000)
Total revenues	15,000	15,000	4,403	(10,597)
REVENUES OVER (UNDER) EXPENDITURES	15,000	15,000	4,403	(10,597)
Net change in fund balance	\$ 15,000	\$ 15,000	4,403	\$ (10,597)
FUND BALANCE:				
Beginning of year			199,959	
End of year			\$ 204,362	

FIDUCIARY FUNDS

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

Custodial Funds:

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

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

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

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

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

City of Pinole
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodian Funds</u>		
	<u>Private-Purpose Trust Fund</u>	<u>Unadjudicated Asset Seizure Fund</u>	<u>Developer Fees Fund</u>
ASSETS			
Cash and investments	\$ 5,591,805	\$ 24,998	\$ 4,869
Interest receivable	18,138	147	-
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	7,218,846	-	-
Total assets	<u>17,738,351</u>	<u>25,145</u>	<u>4,869</u>
LIABILITIES			
Accounts payable	7,905	11,449	-
Deposit payable	56,238	-	-
Unearned Revenue	18	-	-
Interest payable	34,442	-	-
Bonds payable - due within one year	3,570,000	-	-
Total liabilities	<u>3,668,603</u>	<u>11,449</u>	<u>-</u>
NET POSITION			
Restricted for:			
Held in trust for dissolution of RDA	14,069,748	-	-
Individuals, organizations, and other governments	-	13,696	4,869
Total net position	<u>\$ 14,069,748</u>	<u>\$ 13,696</u>	<u>\$ 4,869</u>

City of Pinole
Combining Statement of Fiduciary Net Position (Continued)
Fiduciary Funds
June 30, 2023

	Custodian Funds			Total
	Pinole Public School Funds	Community Assistance Program Fund	Police Evidence Fund	
ASSETS				
Cash and investments	\$ 1,752	\$ 23,650	\$ 108,512	\$ 5,755,586
Interest receivable	10	-	-	18,295
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	-	-	-	7,218,846
Total assets	1,762	23,650	108,512	17,902,289
LIABILITIES				
Accounts payable	-	-	-	19,354
Deposit payable	-	-	108,291	164,529
Unearned Revenue	-	23,650	-	23,668
Interest payable	-	-	-	34,442
Bonds payable - due within one year	-	-	-	3,570,000
Total liabilities	-	23,650	108,291	3,811,993
NET POSITION				
Restricted for:				
Held in trust for dissolution of RDA	-	-	-	14,069,748
Individuals, organizations, and other governments	1,762	-	221	20,548
Total net position	\$ 1,762	\$ -	\$ 221	\$ 14,090,296

City of Pinole
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	<u>Custodian Funds</u>		
	<u>Private-Purpose Trust Fund</u>	<u>Unadjudicated Asset Seizure Fund</u>	<u>Developer Fees Fund</u>
ADDITIONS:			
Property taxes	\$ 4,753,505	\$ -	\$ -
Investment income	48,474	542	-
Total additions	<u>4,801,979</u>	<u>542</u>	<u>-</u>
DEDUCTIONS:			
Operating costs	324,147	-	-
Depreciation	255,670	-	-
Interest expense	89,981	-	-
Total deductions	<u>669,798</u>	<u>-</u>	<u>-</u>
Change in net position	4,132,181	542	-
NET POSITION:			
Beginning of year	9,937,567	13,154	4,869
End of year	<u>\$ 14,069,748</u>	<u>\$ 13,696</u>	<u>\$ 4,869</u>

City of Pinole
Combining Statement of Changes in Fiduciary Net Position (Continued)
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodian Funds			Total
	Community			
	Pinole Public School Funds	Assistance Program Fund	Police Evidence Fund	
ADDITIONS:				
Property taxes	\$ -	\$ -	\$ -	\$ 4,753,505
Investment income	38	-	11	49,065
Total additions	38	-	11	4,802,570
DEDUCTIONS:				
Operating costs	-	-	-	324,147
Depreciation	-	-	-	255,670
Interest expense	-	-	-	89,981
Total deductions	-	-	-	669,798
Change in net position	38	-	11	4,132,772
NET POSITION:				
Beginning of year	1,724	-	210	9,957,524
End of year	<u>\$ 1,762</u>	<u>\$ -</u>	<u>\$ 221</u>	<u>\$ 14,090,296</u>

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STATISTICAL SECTION
(Unaudited)

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City of Pinole
Statistical Section
For the Year Ended June 30, 2023

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City of Pinole
Net Position by Component
Last Ten Fiscal Years

	2014	2015	2016	2017	2018
<i>Governmental activities</i>					
Net investment in capital assets	\$ 36,296,765	\$ 34,962,909	\$ 33,764,294	\$ 32,700,833	\$ 31,758,414
Restricted	2,591,393	2,591,393	2,591,393	17,755,625	17,938,328
Unrestricted (deficit)	(2,498,114)	(21,819,095)	(17,014,950)	(31,148,654)	(34,044,994)
Total governmental activities net position	<u>\$ 36,390,044</u>	<u>\$ 15,735,207</u>	<u>\$ 19,340,737</u>	<u>\$ 19,307,804</u>	<u>\$ 15,651,748</u>
<i>Business-type activities</i>					
Net investment in capital assets	\$ 9,921,073	\$ 11,223,296	\$ 13,869,394	\$ 14,364,860	\$ 13,381,134
Unrestricted	5,205,241	4,984,154	4,584,135	5,649,110	6,241,700
Total business-type activities net position	<u>\$ 15,126,314</u>	<u>\$ 16,207,450</u>	<u>\$ 18,453,529</u>	<u>\$ 20,013,970</u>	<u>\$ 19,622,834</u>
<i>Primary government</i>					
Net investment in capital assets	\$ 46,217,838	\$ 46,186,205	\$ 47,633,688	\$ 47,065,693	\$ 45,139,548
Restricted	2,591,393	2,591,393	2,591,393	17,755,625	17,938,328
Unrestricted (deficit)	2,707,127	(16,834,941)	(12,430,815)	(25,499,544)	(27,803,294)
Total primary government net position	<u>\$ 51,516,358</u>	<u>\$ 31,942,657</u>	<u>\$ 37,794,266</u>	<u>\$ 39,321,774</u>	<u>\$ 35,274,582</u>

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

	2019	2020	2021	2022	2023
<i>Governmental activities</i>					
Net investment in capital assets	\$ 29,977,958	\$ 30,774,116	\$ 31,008,808	\$ 31,695,972	\$ 30,207,077
Restricted	31,048,458	32,045,457	33,528,931	34,342,971	29,854,090
Unrestricted (deficit)	(41,104,957)	(41,984,038)	(44,487,476)	(52,223,172)	(39,009,363)
Total governmental activities net position	<u>\$ 19,921,459</u>	<u>\$ 20,835,535</u>	<u>\$ 20,050,263</u>	<u>\$ 13,815,771</u>	<u>\$ 21,051,804</u>
<i>Business-type activities</i>					
Net investment in capital assets	\$ 13,088,528	\$ 12,452,490	\$ 12,783,593	\$ 12,863,679	\$ 7,718,239
Unrestricted	7,883,837	10,243,444	10,795,126	11,022,842	12,544,816
Total business-type activities net position	<u>\$ 20,972,365</u>	<u>\$ 22,695,934</u>	<u>\$ 23,578,719</u>	<u>\$ 23,886,521</u>	<u>\$ 20,263,055</u>
<i>Primary government</i>					
Net investment in capital assets	\$ 43,066,486	\$ 43,226,606	\$ 43,792,401	\$ 44,559,651	\$ 37,925,316
Restricted	31,048,458	32,045,457	33,528,931	34,342,971	29,854,090
Unrestricted (deficit)	(33,221,120)	(31,740,594)	(33,692,350)	(41,200,330)	(26,464,547)
Total primary government net position	<u>\$ 40,893,824</u>	<u>\$ 43,531,469</u>	<u>\$ 43,628,982</u>	<u>\$ 37,702,292</u>	<u>\$ 41,314,859</u>

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

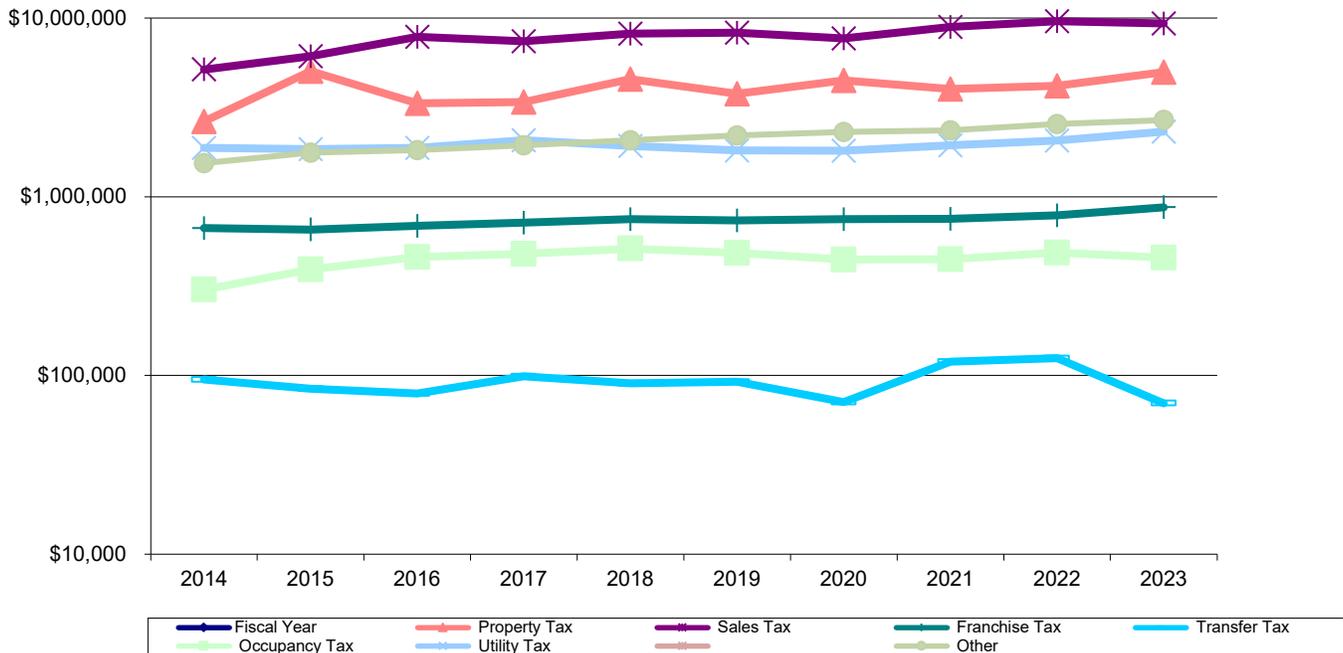
	2014	2015	2016	2017	2018
Expenses					
Governmental Activities:					
General government	\$ 4,718,160	\$ 4,373,166	\$ 4,368,671	\$ 5,952,688	\$ 3,482,534
Public safety	9,281,461	9,321,934	10,086,963	10,326,947	12,202,527
Public services	2,685,493	2,673,746	3,878,498	2,568,265	3,217,759
Recreation	1,074,585	1,150,267	1,067,952	1,151,760	1,145,227
Community development	779,147	833,061	1,184,385	1,065,848	1,642,031
Interest and fiscal changes	280,173	290,860	305,569	338,507	331,464
Total government activity expenses	<u>\$ 18,819,019</u>	<u>\$ 18,643,034</u>	<u>\$ 20,892,038</u>	<u>\$ 21,404,015</u>	<u>\$ 22,021,542</u>
Business-type activities:					
Wastewater utility	4,859,118	4,883,256	5,316,022	4,597,454	5,193,994
Total business-type activities expenses	<u>4,859,118</u>	<u>4,883,256</u>	<u>5,316,022</u>	<u>4,597,454</u>	<u>5,193,994</u>
Total primary government expenses	<u><u>\$ 23,678,137</u></u>	<u><u>\$ 23,526,290</u></u>	<u><u>\$ 26,208,060</u></u>	<u><u>\$ 26,001,469</u></u>	<u><u>\$ 27,215,536</u></u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 502,094	\$ 590,359	\$ 236,512	\$ 354,357	\$ 648,409
Public safety	586,131	534,095	461,330	640,785	1,435,741
Public services	946,387	573,320	545,273	310,073	153,810
Recreation	1,195,728	998,792	871,497	783,783	846,822
Community development	527,441	666,863	244,449	162,634	1,153,907
Operating grants and contributions	1,026,339	1,203,058	1,464,456	227,184	11,483,081
Capital grants and contributions	640,884	1,068,087		1,262,813	-
Total governmental program revenues	<u>5,425,004</u>	<u>5,634,574</u>	<u>3,823,517</u>	<u>3,741,629</u>	<u>15,721,770</u>
Business-type activities:					
Charges for services:					
Wastewater utility	6,473,147	6,912,213	7,541,964	6,315,563	6,524,537
Capital grants and contributions	-	-	-	-	-
Total business-type program revenues	<u>6,473,147</u>	<u>6,912,213</u>	<u>7,541,964</u>	<u>6,315,563</u>	<u>6,524,537</u>
Total primary government program revenues	<u>\$ 11,898,151</u>	<u>\$ 12,546,787</u>	<u>\$ 11,365,481</u>	<u>\$ 10,057,192</u>	<u>\$ 22,246,307</u>
Net (Expense)/Revenue					
Net (Expense)/Revenue Governmental	(13,394,015)	(13,008,460)	(17,068,521)	(17,662,386)	(6,299,772)
Net (Expense)/Revenue Business-type	<u>1,614,029</u>	<u>2,028,957</u>	<u>2,225,942</u>	<u>1,718,109</u>	<u>1,330,543</u>
Total primary government net (Expense)/Revenue	<u><u>(11,779,986)</u></u>	<u><u>(10,979,503)</u></u>	<u><u>(14,842,579)</u></u>	<u><u>(15,944,277)</u></u>	<u><u>(4,969,229)</u></u>
Change in Net Position					
Governmental activities	(22,757,764)	(4,193,825)	(1,293,805)	(32,933)	12,710,019
Business-type activities	<u>1,602,798</u>	<u>(2,037,223)</u>	<u>(2,246,079)</u>	<u>1,721,679</u>	<u>1,389,501</u>
Total primary government	<u><u>\$ (21,154,966)</u></u>	<u><u>\$ (6,231,048)</u></u>	<u><u>\$ (3,539,884)</u></u>	<u><u>\$ 1,688,746</u></u>	<u><u>\$ 14,099,520</u></u>

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

	2019	2020	2021	2022	2023
Expenses					
Governmental Activities:					
General government	\$ 4,931,705	\$ 4,596,909	\$ 4,957,477	\$ 5,539,414	\$ 4,226,526
Public safety	12,060,171	14,937,597	15,895,381	19,255,147	12,985,795
Public services	3,416,574	3,488,882	4,541,157	3,943,251	4,390,575
Recreation	1,069,375	1,146,587	949,734	1,878,342	1,926,541
Community development	2,338,177	1,365,580	1,275,333	2,271,609	2,982,917
Interest and fiscal changes	287,729	304,844	331,218	388,876	410,766
Total government activity expenses	<u>\$ 24,103,731</u>	<u>\$ 25,840,399</u>	<u>\$ 27,950,300</u>	<u>\$ 33,276,639</u>	<u>\$ 26,923,120</u>
Business-type activities:					
Wastewater utility	4,930,113	5,704,747	6,688,530	7,266,212	5,787,622
Total business-type activities expenses	<u>4,930,113</u>	<u>5,704,747</u>	<u>6,688,530</u>	<u>7,266,212</u>	<u>5,787,622</u>
Total primary government expenses	<u><u>\$ 29,033,844</u></u>	<u><u>\$ 31,545,146</u></u>	<u><u>\$ 34,638,830</u></u>	<u><u>\$ 40,542,851</u></u>	<u><u>\$ 32,710,742</u></u>
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 643,524	\$ 678,065	\$ 686,519	\$ 2,106,826	\$ 936,883
Public safety	1,186,008	1,388,295	1,440,572	1,925,962	1,840,283
Public services	169,758	66,676	74,897	739,693	365,748
Recreation	770,397	501,860	172,486	378,787	711,156
Community development	2,368,209	736,346	503,324	902,764	1,236,488
Operating grants and contributions	2,136,212	1,790,729	1,795,055	2,020,534	5,594,961
Capital grants and contributions	-	-	-	712,728	865,743
Total governmental program revenues	<u>7,274,108</u>	<u>5,161,971</u>	<u>4,672,853</u>	<u>8,787,294</u>	<u>11,551,262</u>
Business-type activities:					
Charges for services:					
Wastewater utility	7,211,834	7,093,734	7,527,056	7,770,772	7,831,703
Capital grants and contributions	-	-	-	-	-
Total business-type program revenues	<u>7,211,834</u>	<u>7,093,734</u>	<u>7,527,056</u>	<u>7,770,772</u>	<u>7,831,703</u>
Total primary government program revenues	<u>\$ 14,485,942</u>	<u>\$ 12,255,705</u>	<u>\$ 12,199,909</u>	<u>\$ 16,558,066</u>	<u>\$ 19,382,965</u>
Net (Expense)/Revenue					
Net (Expense)/Revenue Governmental	(16,829,623)	(20,678,428)	(23,277,447)	(24,489,345)	(15,371,858)
Net (Expense)/Revenue Business-type	<u>2,281,721</u>	<u>1,388,987</u>	<u>838,526</u>	<u>504,560</u>	<u>2,044,081</u>
Total primary government net (Expense)/Revenue	<u><u>(14,547,902)</u></u>	<u><u>(19,289,441)</u></u>	<u><u>(22,438,921)</u></u>	<u><u>(23,984,785)</u></u>	<u><u>(13,327,777)</u></u>
Change in Net Position					
Governmental activities	2,874,178	(50,793)	(785,272)	(6,234,493)	7,163,668
Business-type activities	<u>2,411,362</u>	<u>1,673,561</u>	<u>882,785</u>	<u>307,802</u>	<u>1,869,392</u>
Total primary government	<u><u>\$ 5,285,540</u></u>	<u><u>\$ 1,622,768</u></u>	<u><u>\$ 97,513</u></u>	<u><u>\$ (5,926,691)</u></u>	<u><u>\$ 9,033,060</u></u>

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City of Pinole General Fund Tax Revenue by Source Last Ten Fiscal Years



Fiscal Year	(b)		Franchise Tax	Transfer Tax	Occupancy Tax	(a)		Other	Total
	Property Tax	Sales Tax				Utility Tax	Other		
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	
2023	4,985,909	9,328,351	875,058	69,881	456,288	2,312,830	2,689,580	20,717,898	

(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)

	2014	2015	2016	2017	2018
General Fund					
Nonspendable	\$ 11,157	\$ -	\$ 7,275	\$ 6,712	\$ 12,669
Restricted	-	-	-	-	133,586
Assigned	2,899,585	1,030,000	-	-	2,531,677
Committed	-	-	-	-	-
Unassigned	(2,914,406)	4,261,995	9,062,287	11,700,289	23,249,204
Total General Fund	<u>\$ (3,664)</u>	<u>\$ 5,291,995</u>	<u>\$ 9,069,562</u>	<u>\$ 11,707,001</u>	<u>\$ 25,927,136</u>
All Other Governmental Funds					
Nonspendable	\$ 2,591,393		\$ 2,591,393	\$ 6,882,968	\$ -
Restricted	15,103,453	14,074,122	11,665,834	10,872,657	18,250,952
Assigned	783,083	3,661,477	-	-	2,366,429
Committed	-	-	-	2,304,515	-
Unassigned reported in:					
Special revenue funds	-	(611,270)	4,248,108	(371,162)	(43,673)
Capital project funds	(24,842)	(265,778)	-	-	-
Debt service funds	(3,018,401)	-	-	-	-
Total all other governmental funds	<u>\$ 15,434,686</u>	<u>\$ 16,858,551</u>	<u>\$ 18,505,335</u>	<u>\$ 19,688,978</u>	<u>\$ 20,573,708</u>

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

	2019	2020	2021	2022	2023
General Fund					
Nonspendable	\$ 13,178	\$ 463,067	\$ 18,782	\$ 45,296	\$ 243,904
Restricted	17,346,090	18,255,487	19,623,678	17,271,818	14,775,559
Assigned	2,531,677	7,672,065	7,836,178	8,533,768	-
Committed	-	579,257	-	-	9,412,029
Unassigned	14,909,608	10,828,937	12,488,562	9,406,554	12,123,654
Total General Fund	<u>\$ 34,800,553</u>	<u>\$ 37,798,813</u>	<u>\$ 39,967,200</u>	<u>\$ 35,257,436</u>	<u>\$ 36,555,146</u>
All Other Governmental Funds					
Nonspendable	\$ -	\$ 315,552	\$ 315,552	\$ 315,552	\$ 328,952
Restricted	14,306,945	13,756,009	13,905,253	17,236,034	18,590,427
Assigned	2,800,614	2,751,350	2,526,571	2,069,093	3,280,685
Committed	-	-	-	-	-
Unassigned reported in:					
Special revenue funds	(29,052)	(35,900)	(137,880)	(600,971)	(1,560,650)
Capital project funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Total all other governmental funds	<u>\$ 17,078,507</u>	<u>\$ 16,787,011</u>	<u>\$ 16,609,496</u>	<u>\$ 19,019,708</u>	<u>\$ 20,639,414</u>

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

	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 11,456,712	\$ 15,111,311	\$ 15,111,374	\$ 15,453,213	\$ 16,599,387
Intergovernmental	3,426,928	3,313,973	3,462,621	877,090	1,460,655
Loan repayments	108,021	45,666	85,849	145,457	15,023
Contributions	94,032	51,313	65,317	146,112	30,595
Investment earnings	595,808	311,168	188,790	16,188	88,092
Rents and ground leases	273,435	264,301	224,952	300,441	303,618
Charges for service	2,645,656	2,929,952	3,892,535	3,997,423	5,307,234
Fines, forfeitures and penalties	60,734	58,863	41,564	48,442	75,670
Gain (loss) on sale of property				-	-
Other revenues	137,713	778,737	365,857	532,173	834,086
Total revenues	18,799,039	22,865,284	23,438,859	21,516,539	24,714,360
Expenditures					
General administration	2,506,878	2,411,271	3,007,506	3,035,822	3,257,220
Public safety	9,206,393	9,165,922	9,635,264	10,067,977	10,535,903
Public services	1,822,928	1,628,204	2,460,827	1,712,315	1,485,090
Recreation	1,038,572	1,107,168	906,302	1,042,006	960,325
Community development	742,413	818,580	945,646	935,276	1,596,240
Debt service - Principal	381,144	373,007	369,177	363,151	361,674
Debt service - Interest	280,173	290,860	305,569	338,507	331,464
Capital outlay	1,598,513	368,007	1,289,967	200,403	1,098,789
Total expenditures	17,577,014	16,163,019	17,695,457	17,695,457	19,626,705
Other financing sources (uses)					
Bond, note and loan proceeds	458,000	-	-	-	-
Capital lease financing					
Gain (loss) on sale of property	6,559	17,259	1,909		10,017,210
Transfers in	-	447,050	446,000	671,364	826,926
Transfers out	-	(447,050)	(446,000)	(671,364)	(826,926)
Transfers from enterprise fund	-	-	-	-	-
Extraordinary item	(22,634,276)	-	-	-	-
Total other financing sources	(22,169,717)	17,259	1,909	-	10,017,210
Net change in fund balance	\$ (20,947,692)	\$ 6,719,524	\$ 23,440,768	\$ 3,821,082	\$ 15,104,865
 Debt service as a % of noncapital expenditures	 4.1%	 4.2%	 -52.3%	 4.0%	 3.7%

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

	2019	2020	2021	2022	2023
Revenues					
Taxes	\$ 15,853,006	\$ 15,874,731	\$ 19,055,833	\$ 20,403,637	\$ 21,782,789
Intergovernmental	2,188,347	1,860,599	1,856,343	2,837,951	6,204,016
Loan repayments	1,656,645	544,892	107,912	11,658	-
Contributions	22,746	24,889	14,274	10,574	-
Investment earnings	1,529,630	1,790,740	2,888,309	(2,754,154)	1,508,707
Rents and ground leases	274,153	185,594	131,335	121,141	116,688
Charges for service	4,616,561	4,726,675	2,444,899	5,581,014	3,930,060
Fines, forfeitures and penalties	89,911	68,576	41,236	39,392	52,592
Gain (loss) on sale of property	-	-	-	-	-
Other revenues	746,909	709,677	541,679	515,174	491,936
Total revenues	26,977,908	25,786,373	27,081,820	26,766,387	34,086,788
Expenditures					
General administration	3,802,406	4,029,981	4,319,504	4,775,249	4,800,746
Public safety	11,801,897	12,975,773	13,889,090	15,143,959	17,104,181
Public services	1,648,377	1,680,617	1,448,818	2,448,651	3,069,163
Recreation	1,069,375	1,000,400	820,918	1,573,083	1,930,222
Community development	1,237,892	1,333,476	1,205,200	2,143,148	3,218,011
Debt service - Principal	356,117	301,709	227,389	244,820	338,125
Debt service - Interest	287,729	304,844	331,218	388,876	401,206
Capital outlay	1,419,264	1,466,664	2,932,020	2,627,507	1,447,983
Total expenditures	21,623,057	23,093,464	25,174,157	29,345,293	32,309,637
Other financing sources (uses)					
Bond, note and loan proceeds	-	-	-	-	165,695
Capital lease financing	-	-	-	-	-
Gain (loss) on sale of property	3,140	13,855	83,209	279,354	944,424
Transfers in	7,135,205	1,170,058	1,681,841	2,129,233	8,886,672
Transfers out	(7,135,205)	(1,170,058)	(1,681,841)	(2,129,233)	(8,886,672)
Transfers from enterprise fund	-	-	-	-	-
Extraordinary item	-	-	-	-	-
Total other financing sources	3,140	13,855	83,209	279,354	1,110,119
Net change in fund balance	\$ 5,357,991	\$ 2,706,764	\$ 1,990,872	\$ (2,299,552)	\$ 2,887,270
 Debt service as a % of noncapital expenditures	 3.2%	 2.8%	 2.5%	 2.4%	 2.4%

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

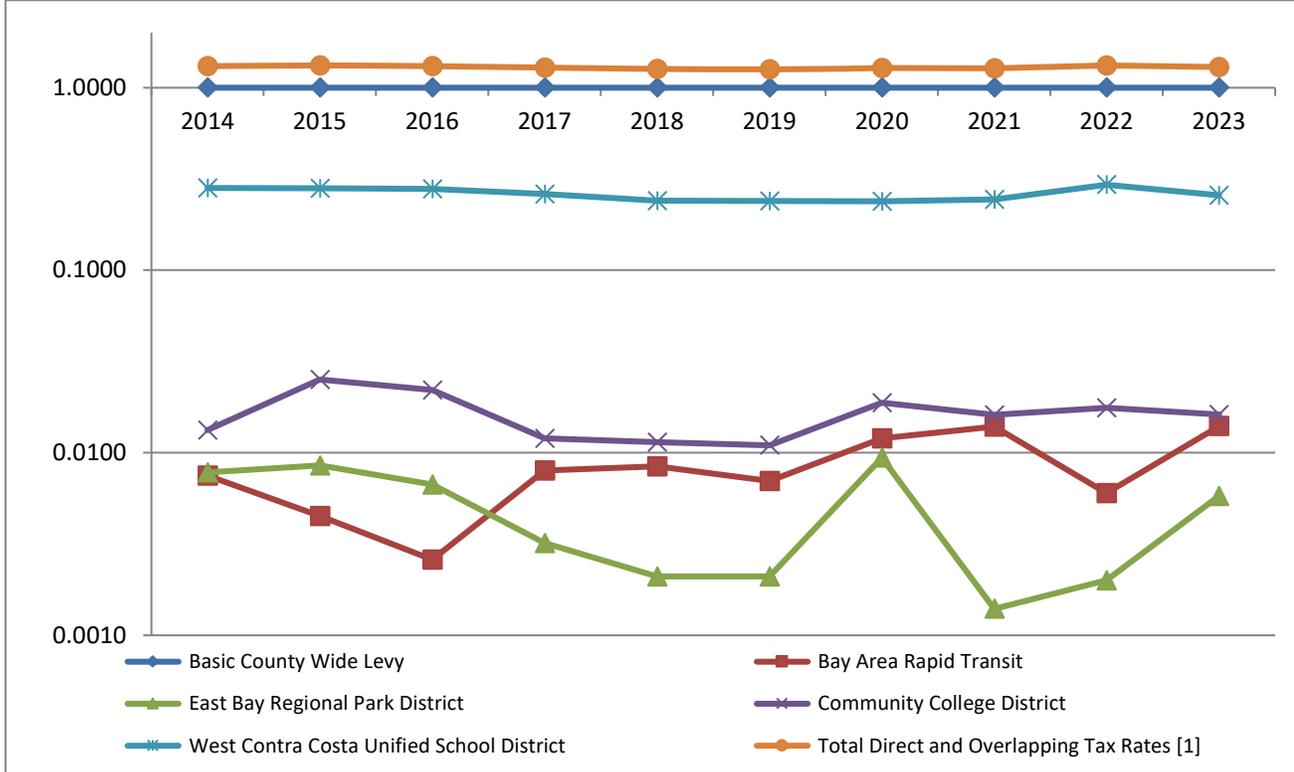
Fiscal Year	Real Property				Total Real Secured Property	Unsecured Property	Total Assessed (a)	Estimated Full Market (a)	Total Direct (b)
	Residential Property	Commercial Property	Industrial Property	Other					
2014	\$ 1,322,470,290	\$ 326,179,820	\$ 2,605,779	\$ 53,249,619	\$ 1,704,505,508	\$ 55,296,246	\$ 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%
2023	2,420,638,572	535,935,832	28,005,918	23,417,929	3,007,998,251	59,630,604	3,067,628,855	3,645,570,131	0.1884%

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]
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
2023	1.0000	0.0140	0.0058	0.0162	0.2564	1.2924

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

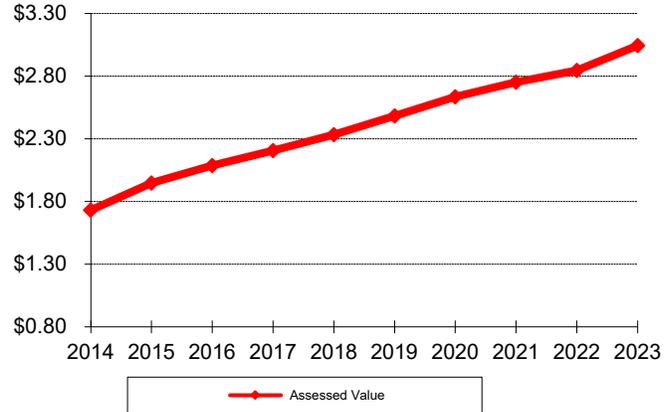
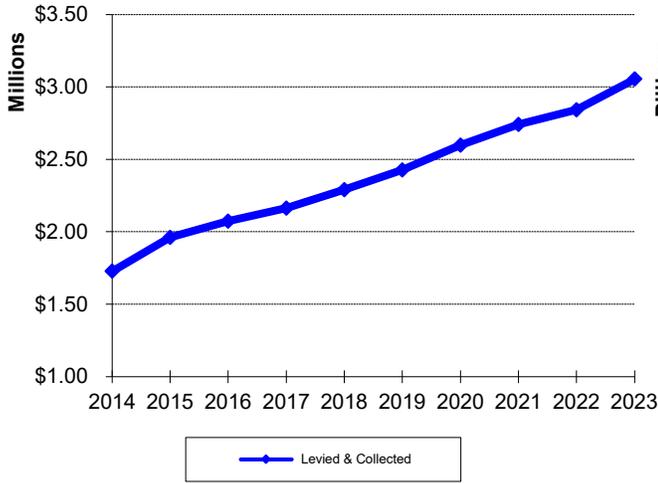
Taxpayer	2022-23		2013-14	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Appian Associates			\$ 15,407,341	0.90%
Che Chen and Shu Fen Liu Trust	\$ 23,992,372	0.80%	20,675,909	1.21%
Dayton Hudson Corporation			19,444,067	1.14%
Fairfield Bayside LLC	39,841,993	1.32%		
Gateway Pinole Vista LLC	71,300,000	2.37%		
Kaiser Foundation Health Plan	39,191,729	1.30%	35,945,142	2.11%
KW Pinole			21,837,738	1.28%
NHI-Reit of Next House LLC	20,677,333	0.69%		
Peter L. Thingpen			20,991,311	1.23%
Pinole Ridge Mall LLC	20,942,485	0.70%		
Public Storage			13,197,567	0.77%
ROIC Pinole Vista LLC	42,405,072	1.41%	21,625,988	1.27%
SCG Pinole Valley Shopping Center	42,180,000	1.40%		
Target Corporation	20,405,648	0.68%		
Thomas Fitzgerald Trust	17,476,703	0.58%	12,614,060	0.74%
TKG Pinole LLC			60,094,040	3.53%
	<u>\$ 338,413,335</u>	<u>11.25%</u>	<u>\$ 241,833,163</u>	<u>14.19%</u>
Total Net Assessed Valuation:				
Fiscal Year 2022-23	\$ 3,007,998,251			
Fiscal Year 2013-14	\$ 1,704,505,508			

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

Note: Information is shown in alphabetical order.

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City of Pinole Property Tax Levies and Collections Last Ten Fiscal Years



Fiscal Year	City Property Tax Levied & Collected	Redevelopment/ Successor Agency Property Tax Levied & Collected	Total Property Tax Levied & Collected	Percent of Levy Collected	Value of City Property Subject to Local Tax Rate	Value of Redevelopment Property Subject to Local Tax Rate	Local Tax Rate Applied to Assessed Value	Effective Taxrate for City Levy	Effective Taxrate for Redevelopment Agency Levy
2014	\$ 1,622,419	\$ 105,121 [1]	\$ 1,727,540	100%	\$ 868,918,982	\$ 862,888,372	\$ 1,731,807,354	0.19%	0.01%
2015	1,856,378	105,121 [1]	1,961,498	100%	990,967,092	956,240,628	1,947,207,720	0.19%	0.01%
2016	1,967,011	105,121 [1]	2,072,131	100%	1,048,130,045	1,037,786,268	2,085,916,313	0.19%	0.01%
2017	2,059,786	104,251 [1]	2,164,037	100%	1,105,435,408	1,100,258,798	2,205,694,206	0.19%	0.01%
2018	2,185,033	104,295 [1]	2,289,328	100%	1,170,940,384	1,162,783,781	2,333,724,165	0.19%	0.01%
2019	2,321,597	104,321 [1]	2,425,918	100%	1,242,741,110	1,238,557,132	2,481,298,242	0.19%	0.01%
2020	2,493,410	104,354 [1]	2,597,764	100%	1,332,924,560	1,302,307,451	2,635,232,011	0.19%	0.01%
2021	2,635,767	104,548 [1]	2,740,315	100%	1,404,683,713	1,346,717,824	2,751,401,537	0.19%	0.01%
2022	2,736,121	104,569 [1]	2,840,690	100%	1,457,104,818	1,387,850,611	2,844,955,429	0.19%	0.01%
2023	2,949,258	104,569 [1]	3,053,827	100%	1,568,575,641	1,475,686,706	3,044,262,347	0.19%	0.01%

Source: Contra Costa County

Notes:

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

City of Pinole
Taxable Sales by Category
Last Ten Fiscal Years

	2013-14	2014-15	2015-16	2016-17	2017-18
		[b]			
Major Business Groups					
Autos and Transportation	\$ 124,234	\$ 128,585	\$ 143,531	\$ 142,634	\$ 129,758
Building and Construction	205,843	228,851	235,399	256,743	252,433
Business and Industry	90,046	74,621	74,664	69,064	68,148
Food and Drugs	332,824	369,426	354,347	366,064	376,151
Fuel and Service Stations	426,327	431,453	393,583	355,390	362,450
General Consumer Goods	1,182,294	1,229,774	1,298,176	1,343,309	1,347,691
Restaurants and Hotels	618,795	660,763	711,659	715,966	715,885
Adjustments & Others [a]	35,173	(50,925)	24,448	-	506
Point of Sale s/totals	3,015,536	3,072,548	3,235,807	3,249,170	3,253,022
County Pool Allocations	366,939	408,386	431,500	499,708	490,660
State Pool Allocations	2,064	2,129	2,400	2,637	1,903
Local Transaction Tax	1,796,832	1,894,578	3,789,711	3,953,872	4,089,586
Administrative Cost - SBE	(54,106)	(58,890)	(82,268)	(95,537)	(90,183)
Fiscal Year Totals	<u>\$ 5,127,265</u>	<u>\$ 5,318,751</u>	<u>\$ 7,377,150</u>	<u>\$ 7,609,850</u>	<u>\$ 7,744,988</u>
City Direct Sales Tax Rate	1.25%	1.25%	1.75%	1.75%	1.75%

Notes:

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

Source: HdL Coren & Cone

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

	2018-19	2019-20	2020-21	2021-22	2022-23
Major Business Groups					
Autos and Transportation	\$ 149,328	\$ 125,285	\$ 131,364	\$ 145,204	\$ 141,027
Building and Construction	248,668	240,333	287,086	253,926	236,384
Business and Industry	81,173	80,562	66,279	79,061	69,661
Food and Drugs	408,251	422,665	467,507	435,658	440,943
Fuel and Service Stations	482,117	370,686	412,186	596,460	351,757
General Consumer Goods	1,323,599	1,110,168	1,299,328	1,333,100	1,364,953
Restaurants and Hotels	813,411	724,290	741,032	936,053	1,011,530
Adjustments & Others	5,972	1,211	484	5,260	11,511
Point of Sale s/totals	<u>3,512,519</u>	<u>3,075,200</u>	<u>3,405,266</u>	<u>3,784,722</u>	<u>3,627,766</u>
County Pool Allocations	519,400	747,782	927,704	861,541	798,304
State Pool Allocations	1,829	1,710	2,650	343	1,966
Local Transaction Tax [a]	4,402,698	3,944,917	4,654,311	5,041,168	4,976,048
Administrative Cost - SBE	(87,797)	(79,691)	(62,570)	(74,149)	(75,735)
Fiscal Year Totals	<u>\$ 8,348,649</u>	<u>\$ 7,689,918</u>	<u>\$ 8,927,361</u>	<u>\$ 9,613,625</u>	<u>\$ 9,328,349</u>
City Direct Sales Tax Rate	1.75%	1.75%	1.75%	1.75%	1.75%

Notes:

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

Source: HdL Coren & Cone

City of Pinole
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

Taxing Jurisdiction / Purpose	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
	[c]									
Overlapping Sales Taxes										
State General Fund	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
State Fiscal Recovery Fund	0.25%	0.25%	0.25%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
State Education Protection Account	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
County Health & Welfare Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[a] City/County Public Safety Programs	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
County of Contra Costa Transactions and Use Tax	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.50%	0.50%	0.50%
Contra Costa Transportation Authority	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Bay Area Rapid Transit	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
West County Transit Authority	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Overlapping Sales Taxes	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.50%	8.00%	8.00%	8.00%
City Direct Sales Taxes										
Bradley Burns Authority	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
[b] Measure "S" Authority - 2006	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
[c] Measure "S" Authority - 2014	0.00%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Direct Sales Taxes	1.25%	1.75%								
[d] Total Sales Tax Levy - City of Pinole	9.00%	9.50%	9.50%	9.25%	9.25%	9.25%	9.25%	9.75%	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, 2023

BUSINESS NAME	BUSINESS CATEGORY
1. APPIAN CHEVRON	SERVICE STATIONS
2. APPLEBEE'S	FULL-SERVICE RESTAURANTS
3. BEST BUY	ELECTRONICS/APPLIANCE STORES
4. BEVMO	CONVENIENCE STORES/LIQUOR
5. BURLINGTON COAT FACTORY	FAMILY APPAREL
6. DOLAN'S PINOLE LUMBER	BUILDING MATERIALS
7. FOOD MAXX	GROCERY STORES
8. HOME GOODS	FURNITURE STORES
9. IN-N-OUT BURGER	QUICK-SERVICE RESTAURANTS
10. MCDONALDS	QUICK-SERVICE RESTAURANTS
11. MICHAELS ARTS & CRAFTS	ART/GIFT/NOVELTY STORES
12. O'REILLY AUTO PARTS	AUTOMOTIVE SUPPLY STORES
13. ORIGINAL MELS DINER	QUICK-SERVICE RESTAURANTS
14. PANDA EXPRESS	LIMITED-SERVICE RESTAURANTS
15. PETSMART	SPECIALTY STORES
16. PINOLE CHEVRON	SERVICE STATIONS
17. PINOLE SHELL	SERVICE STATIONS
18. PINOLE VALLEY ARCO	SERVICE STATIONS
19. SAFEWAY	GROCERY STORES
20. SHOE PALACE	SHOE STORES
21. TARGET	DISCOUNT DEPARTMENT STORES
22. TJ MAXX	FAMILY APPAREL
23. TRADER JOES	GROCERY STORES
24. ULTA BEAUTY	SPECIALTY STORES
25. WESTLAKE ACE HARDWARE	BUILDING MATERIALS

PERCENT OF FISCAL YEAR TOTAL PAID BY TOP 25 ACCOUNTS = 57.41%

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

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income	Per Capita
	Redevelopment Bonds	Pension Obligation Bonds	Notes and Mortgages	Leases Payable	Subscription Payable	Wastewater Revenue Bonds	Clean Water State Revolving Fund			
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	2.0%	1,764
2022	[a]	2,512,885	[a]	72,619	118,626	6,321,000	24,105,950	33,131,080	1.9%	1,779
2023	[a]	2,297,299	[a]	56,609	176,570	5,980,000	23,426,566	31,937,044	1.8%	1,751

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

Fiscal Year	General Bonded Debt Outstanding				Percentage of Taxable Value of Property	Per Capita
	Pension Obligation Bonds	Bonds Paid with Restricted Redevelopment Tax Increments	Total - Net of Bonds Paid with Restricted Tax Levies			
2014	\$ 4,478,467	\$ -	\$ 4,478,467		0.52% [a]	\$ 238
2015	4,206,695	-	4,206,695		0.42% [a]	222
2016	3,941,977	-	3,941,977		0.38% [a]	210
2017	3,986,615	-	3,986,615		0.36% [a]	210
2018	3,436,175	-	3,436,175		0.29% [a]	179
2019	3,194,853	-	3,194,853		0.26% [a]	164
2020	2,961,839	-	2,961,839		0.22% [a]	152
2021	2,734,450	-	2,734,450		0.19% [a]	141
2022	2,512,885	-	2,512,885		0.17% [a]	135
2023	2,297,299	-	2,297,299		0.15% [a]	126

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

Sources:

City Finance Department

Contra Costa County Office of the Auditor-Controller

City of Pinole
Direct and Overlapping Governmental Activities Debt
June 30, 2023

2022-23 Assessed Valuation: \$3,067,628,855

	Total Debt 6/30/2023	[1] % Applicable	City's Share of Debt 6/30/23
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Bay Area Rapid Transit District	\$ 2,484,285,000	0.322%	\$ 7,999,398
Contra Costa Community College District	649,015,000	1.220%	7,917,983
West Contra Costa Unified School District	1,188,146,381	7.877%	93,590,290
West Contra Costa Healthcare District Parcel Tax Obligations	43,000,000	7.428%	3,194,040
East Bay Regional Park District	175,955,000	0.510%	897,371
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			113,599,081
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Contra Costa County General Fund Obligations	\$ 193,515,000	1.216%	\$ 2,353,142
West Contra Costa Unified School District Certificates of Participation	4,850,000	7.877%	382,035
City of Pinole Pension Obligation Bonds	2,297,298	100.000%	2,297,298
City of Pinole Capital Lease Obligations	47,659	100.000%	47,659
Alameda-Contra Costa Transit District Certificates of Participation	11,220,000	0.032%	3,590
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 5,083,724
Less: Contra Costa County obligations supported from revenue funds			619,301
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 4,464,423
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 3,570,000	100.000%	\$ 3,570,000
TOTAL DIRECT DEBT			\$ 2,344,957
TOTAL GROSS OVERLAPPING DEBT			\$ 119,907,848
TOTAL NET OVERLAPPING DEBT			\$ 119,288,547
GROSS COMBINED TOTAL DEBT			\$ 122,252,805 [2]
NET COMBINED TOTAL DEBT			\$ 121,633,504

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	3.70%
Total Direct Debt (\$2,344,957).....	0.08%
Gross Combined Total Debt.....	3.99%
Net Combined Total Debt	3.97%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$1,475,686,706):

Total Overlapping Tax Increment Debt	0.24%
--------------------------------------------	-------

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.

City of Pinole
Computation of Legal Debt Margin
Last Ten Fiscal Years

ASSESSED VALUATION:

Secured property assessed value, net of exempt real property \$ 3,044,262,347

BONDED DEBT LIMIT (3.75% OF ASSESSED VALUE) [a] \$ 114,159,838

AMOUNT OF DEBT SUBJECT TO LIMIT: \$ 2,297,299

LEGAL BONDED DEBT MARGIN: \$ 116,457,137

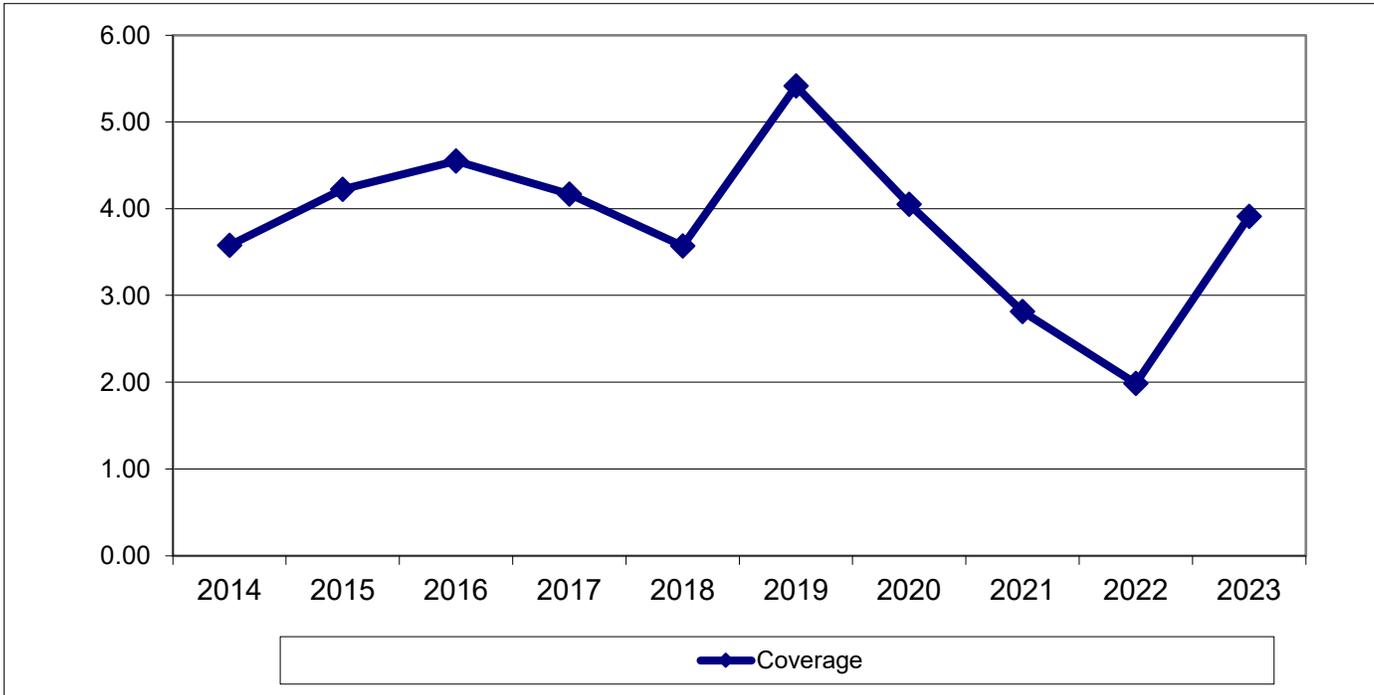
Fiscal Year	Total assessed value of all real and personal property	Debt Limit [a]	Total Net Debt Applicable to Limit	Legal Debt Margin	Total net Debt applicable to the limit as a percentage of debt limit
2014	\$ 1,731,807,354	\$ 64,942,776	\$ 4,478,467	\$ 60,464,309	6.90%
2015	1,947,207,720	73,020,290	4,206,695	68,813,595	5.76%
2016	2,085,916,313	78,221,862	3,941,977	74,279,885	5.04%
2017	2,205,694,206	82,713,533	3,686,615	79,026,918	4.46%
2018	2,333,724,165	87,514,656	3,436,176	84,078,480	3.93%
2019	2,481,298,242	93,048,684	3,194,854	89,853,830	3.43%
2020	2,635,232,011	98,821,200	2,961,839	95,859,361	3.00%
2021	2,751,401,537	103,177,558	2,734,450	100,443,108	2.65%
2022	2,844,955,429	106,685,829	2,512,885	104,172,944	2.36%
2023	3,044,262,347	114,159,838	2,297,299	111,862,539	2.01%

Note:

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

Source: City of Pinole Finance Department

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



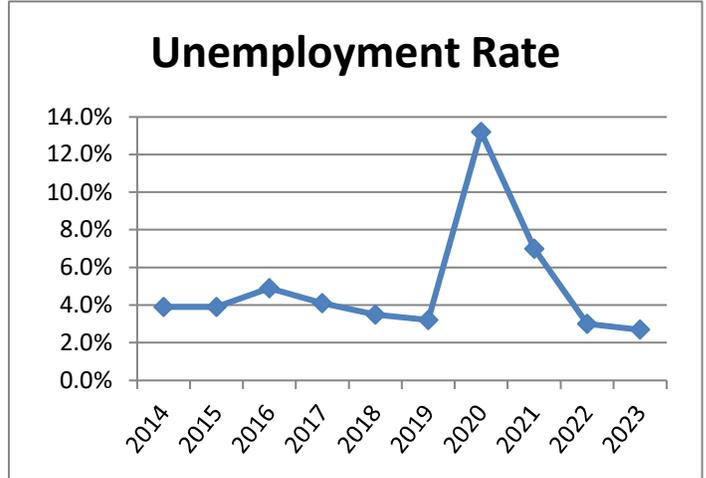
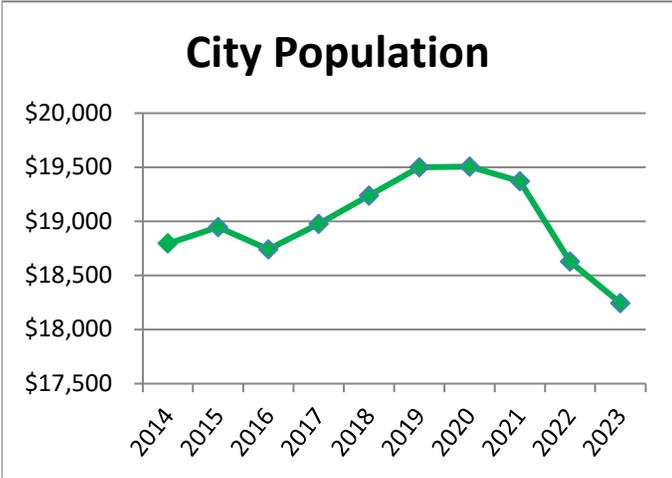
Fiscal Year	Gross Revenue [a]	Operating Expenses [b]	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	\$ 6,473,147	\$ 4,232,789	\$ 2,240,358	\$ 215,000	\$ 411,329	\$ 626,329	3.58
2015	6,912,213	4,253,609	2,658,605	230,000	399,648	629,648	4.22
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
2023	7,831,703	5,787,622	2,044,081	341,000	181,440	522,440	3.91

Notes:

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

Source: City of Pinole Finance

City of Pinole
Demographic Statistics
Last Ten Fiscal Years



Fiscal Year	City Population [a]	Personal Income [b]	Median Household Income [c]	Per Capita Personal Income [d]	School Enrollment [e]	Unemployment Rate [f]
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	1,672,687,471	125,600	86,359	3,498	7.0%
2022	18,628	1,766,567,752	142,800	94,834	3,802	3.0%
2023	18,244	1,734,037,468	147,900	95,047	3,747	2.7%

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) Bureau of Economic Analysis, U.S. Department of Commerce.
- (e) State of California Department of Education.
- (f) State of California Employment Development Department

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City of Pinole
Principal Employers
Current Year and Nine Years Ago

Employer	2023		Employer	2014	
	Employee Count	Percentage of City Total		Employee Count	Percentage of City Total
Target	237	2.52%	West Contra Costa USD	320	7.39%
West Contra Costa USD	204	2.17%	Lucky's / Food Max	140	3.23%
Kaiser Health Center	144	1.53%	Target	136	3.14%
City of Pinole	116	1.23%	City of Pinole	112	2.59%
In-N-Out Burger	110	1.17%	K-Mart	104	2.40%
Lucky	103	1.10%	Best Buy	85	1.96%
Sprouts Farmers Market	100	1.06%	Kaiser Health Center	75	1.73%
Trader Joes	98	1.04%	Trader Joes	69	1.59%
MV Public Transportation, Inc	97	1.03%	Safeway	67	1.55%
Best Buy Stores	91	0.97%	Round Table Pizza	52	1.20%
Top 10 Employer Count	1,300			1,160	
Total Workforce	9,400	13.83%		4,332	26.78%

Data Sources:

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

City of Pinole

Operating Indicators by Function/Program

Last Ten Fiscal Years

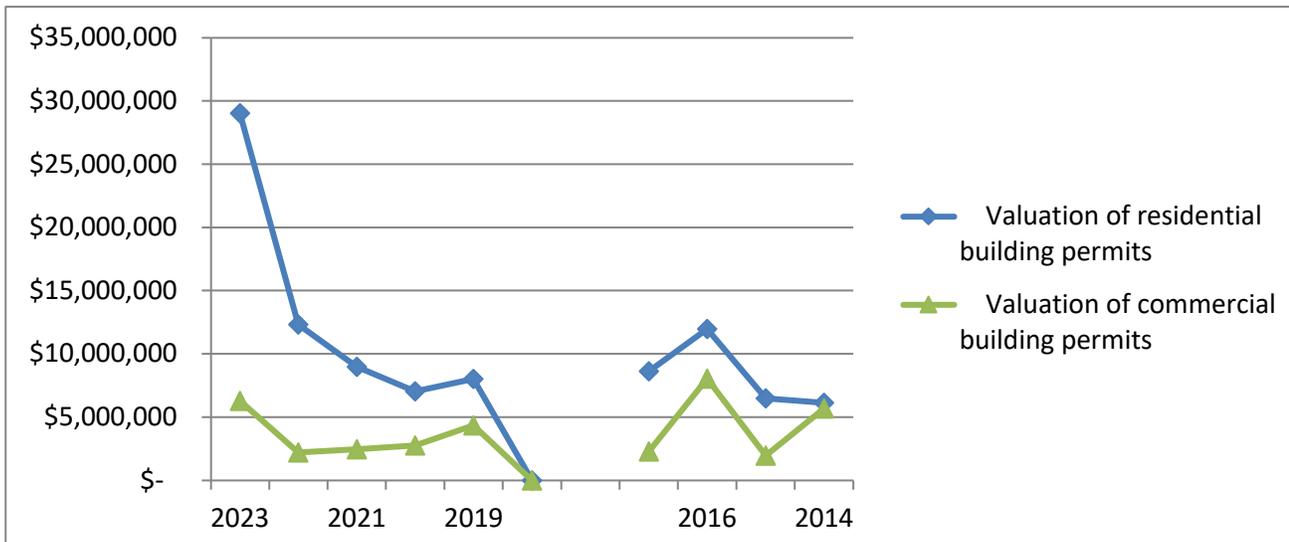
Date of Incorporation	1903
Form of Government	Council-Manager
Number of Employees(including police & fire)	
Full-time	90
Part-time	24
Area in square miles	5 square miles

	<u>Statistics by Fiscal Year</u>				
	2023	2022	2021	2020	2019
Fire Protection:**					
Number of fire personnel & officers (incl. Reserves)	0	17	15	15	15
Number of calls answered	Not Available	2,548	2,086	2,574	2,493
Number of inspections conducted	Not Available	491	375*	231	168
Number of building plan reviews	Not Available	46	35	29	28
Number of fire investigations	Not Available	Not Available	Not Available	Not Available	Not Available
Police Protection :					
Number of police personnel & officers (incl. Reserves)	49.3	47.3	46	46	46
Number of police personnel per thousand population	2.70	2.54	2.37	2.36	2.36
Community Development:					
Number of residential building permits	1018	1038	905	843	749
Valuation of residential building permits	\$ 29,010,799	\$ 12,320,050	\$ 8,978,646	\$ 7,043,338	\$ 8,012,647
Number of commercial building permits	46	45	45	43	153
Valuation of commercial building permits	\$ 6,281,089	\$ 2,197,897	\$ 2,453,802	\$ 2,749,091	\$ 4,354,070
Sewer System:					
Daily average treatment in gallons	3,120,000	2,726,016	2,553,562	2,255,055	2,277,331
Maximum daily capacity of treatment plant in gallons	4,060,000	4,060,000	4,060,000	4,060,000	4,060,000

Source: City of Pinole Finance

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

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



City of Pinole

Operating Indicators by Function/Program (Continued)

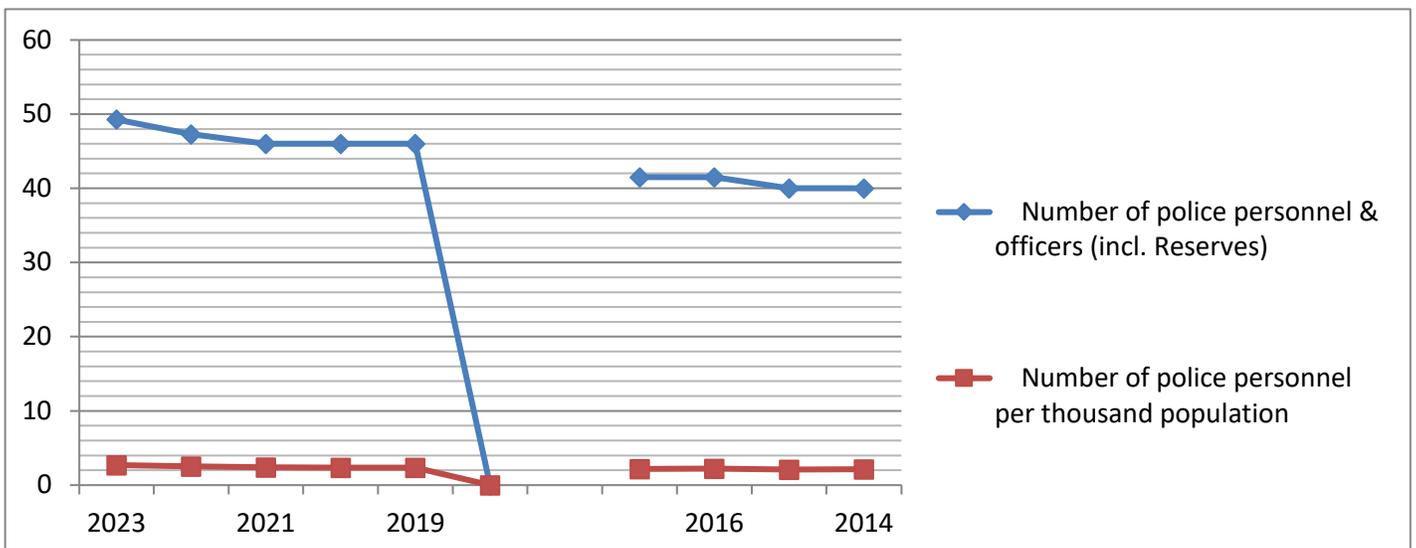
Last Ten Fiscal Years

Date of Incorporation	1903
Form of Government	Council-Manager
Number of Employees(including police & fire)	
Full-time	90
Part-time	24
Area in square miles	5 square miles

<u>Statistics by Fiscal Year</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Fire Protection:**				
Number of fire personnel & officers (incl. Reserves)	15	15	15	17
Number of calls answered	2,647	2,406	1,908	2,205
Number of inspections conducted	45	404	60	7
Number of building plan reviews	34	66	50	25
Number of fire investigations	Not Available	Not Available	2	Not Available
Police Protection :				
Number of police personnel & officers (incl. Reserves)	41.5	41.5	40	40
Number of police personnel per thousand population	2.19	2.21	2.11	2.13
Community Development:				
Number of residential building permits	777	1027	1061	800
Valuation of residential building permits	\$ 8,613,376	\$ 11,969,126	\$ 6,485,860	\$ 6,140,140
Number of commercial building permits	92	46	22	43
Valuation of commercial building permits	\$ 2,275,774	\$ 8,053,064	\$ 1,961,346	\$ 5,671,577
Sewer System:				
Daily average treatment in gallons	2,914,000	2,381,151	2,449,863	2,579,625
Maximum daily capacity of treatment plant in gallons	4,060,000	4,060,000	4,060,000	4,060,000

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

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



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

<u>Function / Program [a]</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
Administration	5.0	5.0	5.0	5.0	5.0	5.5	5.5	6.5	7.5	9.0
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	1.5	2.0	2.0
Building	2.0	2.0	2.0	2.5	3.5	3.5	4.0	4.0	5.0	5.5
Other	4.0	4.0	3.0	3.0	3.0	3.0	2.8	3.8	-	-
Police										
Sworn	27.0	27.0	27.0	27.0	28.0	28.0	28.0	28.0	28.0	30.0
Non-sworn	13.0	13.0	14.5	14.5	17.5	18.0	18.5	18.2	19.3	19.3
Fire [b]										
Sworn	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	2.5	4.0	6.5
Maintenance	6.0	6.0	10.0	10.0	10.0	10.0	11.3	10.3	12.3	12.3
Redevelopment	-	-	-	-	-	-	-	-	-	-
Parks and recreation	11.0	11.0	13.0	13.0	13.0	13.0	11.5	11.5	15.3	16.2
Wastewater collection and treatment	13.0	13.0	10.5	10.5	10.5	10.5	10.5	10.5	11.5	11.5
Total	103.5	103.5	108.0	108.0	113.0	114.0	114.4	115.2	125.2	115.6

Notes:

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

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

Source: City of Pinole Annual Budget Documents

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

City Streets:

Miles of streets 63
 Number of street lights 373 (city owned)
 971 (electric & private utility)

<u>Statistics by Fiscal Year</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Fire Protection :					
Number of stations*	2	1	1	1	1
Police Protection :					
Number of stations	1	1	1	1	1
Number of patrol units	11	11	13	13	13
Number of security units	3	2	2	2	2
Recreation and culture :					
Swim Center	1	1	1	1	1
Community Theater	1	1	1	1	1
Senior Center	1	1	1	1	1
Youth Center	1	1	1	1	1
Pre-school Center	1	1	1	1	1
Number of parks & park acreage	15; 64 total acres				
Sewer System:					
Sanitary sewers	50 miles				
Miles of storm drains	34 miles				
Number of treatment plants	1	1	1	1	1
Number of service connections	5,455	5,416	5,416	5,416	5,416
Schools:					
Elementary-public	5	5	5	5	5
Elementary-private	2	2	2	2	2
Junior High School-public	1	1	1	1	1
High School-public	1	1	1	1	1

*Fire protection services are provided by ConFire

Source: City of Pinole Finance

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

City Streets:

Miles of streets 63
 Number of street lights 373 (city owned)
 971 (electric & private utility)

Statistics by Fiscal Year	2018	2017	2016	2015	2014
Fire Protection :					
Number of stations*	1	1	1	1	1
Police Protection :					
Number of stations	1	1	1	1	1
Number of patrol units	13	13	13	13	13
Number of security units	2	2	2	2	2
Recreation and culture :					
Swim Center	1	1	1	1	1
Community Theater	1	1	1	1	1
Senior Center	1	1	1	1	1
Youth Center	1	1	1	1	1
Pre-school Center	1	1	1	1	1
Number of parks & park acreage	15; 64 total acres				
Sewer System:					
Sanitary sewers	50 miles				
Miles of storm drains	34 miles				
Number of treatment plants	1	1	1	1	1
Number of service connections	5,416	5,416	5,416	5,416	5,414
Schools:					
Elementary-public	5	4	4	4	4
Elementary-private	2	2	2	1	1
Junior High School-public	1	1	1	1	1
High School-public	1	1	1	1	1

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