2019 CAFR

FOR FISCAL YEAR ENDED JUNE 30, 2019



CITY OF PISMO BEACH, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF PISMO BEACH

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City of Pismo Beach Tourism & Events Department
Downtown Pismo Beach

CITY OF PISMO BEACH, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2019

Prepared By:

Administrative Services Department



Introductory Section

City of Pismo Beach, California
Comprehensive Annual Financial Report
Year Ended June 30, 2019

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Administrative Services Department
760 Mattie Road
Pismo Beach CA 93449
Phone: 805-773-4655 Fax: 805-773-7065

December 16, 2019

To the Honorable Mayor,
Members of the City Council, and
Citizens of the City of Pismo Beach

REPORT PURPOSE AND ORGANIZATION

It is our pleasure to present to you the Comprehensive Annual Financial Report (CAFR) of the City of Pismo Beach, California for the fiscal year ending on June 30, 2019. The City follows a policy of preparing a complete set of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) after the end of each fiscal year. This report is published to fulfill that policy for the fiscal year ending on June 30, 2019 and marks the seventeenth year the City has prepared a CAFR.

Management of the City of Pismo Beach assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive frame-work of internal control that the City has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the City's financial statements are free of material misstatements.

Audited Financial Statements

The City's financial statements have been audited by Teaman, Ramirez & Smith, Inc., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ending on June 30, 2019 are free of material misstatement. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified independent auditor's report that the City of Pismo Beach's financial statements for the fiscal year ending on June 30, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is located at the front of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). The MD&A complements this letter of transmittal and should be read in conjunction with it. The City's MD&A immediately follows the independent auditor's report.

Report Organization

This report is organized in three sections: introductory, financial, and statistical.

1. The *Introductory* section includes this transmittal memorandum and general information on the City's government structure and the services provided. It includes a list of principal officials, an organizational chart, and the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Report.

2. The *Financial* section contains the independent auditor's report on the financial statement audit, the Management Discussion & Analysis (MD&A), basic financial statements, Required Supplementary Information; and combining and individual fund presentations and supplementary information.

3. The *Statistical* section includes selected financial and demographic information.

PROFILE OF THE CITY OF PISMO BEACH

The City of Pismo Beach was incorporated in 1946. The City is located on the Central Coast of California about 200 miles north of Los Angeles. The City is visited annually by a substantial number of tourists seeking to enjoy the area's moderate climate, ocean views and sunsets, fine restaurants, and the relaxing atmosphere unique to coastal communities. The City's downtown core area and hotel areas are anchored by the City-owned Pier extending into the Pacific Ocean. The City is home to about 8,239 individuals, and most of the City is residential with a continuing trend of new homes being built with spectacular ocean views.

Form of Government

The City operates under a council-manager form of government. Policy making and legislative authority are vested in the City Council consisting of the elected Mayor and four other elected Council members. The Council is responsible, among other matters, for passing ordinances, adopting the City budget, appointing committees, and hiring the City Manager. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the daily operations of the City, and for appointing other employees and otherwise managing daily operations of the City. The Mayor is elected for two year terms, and the Council is elected for four year staggered terms, with two members elected every two years.

City Services

The City provides a full range of municipal services including fire and police protection, construction and maintenance of City streets, storm drains, bridges, and similar infrastructure-type assets, park maintenance, community recreation activities, and public facilities. In terms of business-type activities, the City provides water, wastewater, parking, pier, and transit services through the operation of its enterprises.

Budget Process and Budgetary Control

The City's biennial budget serves as the foundation for the City of Pismo Beach's financial planning and control system. All departments of the City submit requests for appropriations to the City Manager. The City Manager uses these requests as a starting point for developing a proposed budget. The City Manager presents a proposed budget to the City Council every two years. The Council holds public meetings on the proposed budget and then ultimately adopts a formal budget. The budget is adopted by fund, department, and object. The Council periodically reviews the City's actual financial activity in relationship to the original budget, and as necessary, amends the original budget to reflect changing conditions during the fiscal year.

ECONOMIC CONDITION

Long-Term Financial Planning

The City incorporates long-term financial planning into its budget process in several ways:

- First, the City has established a set of financial policies that were reviewed and affirmed by the City Council and Department Head Team on April 16, 2019 during the development of the budget. These policies establish goals for the allocation of public resources in the manner best suited to the efficient provision of services to citizens and visitors present within the City. Some of these policies call for maintaining adequate cash reserves and providing ongoing maintenance of infrastructure and buildings, which are vital to sound fiscal management.

- Second, the Council undertakes a strategic planning process to establish goals and priorities for the organization that takes into account a long-term vision of the City and incorporates public input. The Council reviews and may modify its long-term vision statement for the City every two years. Additionally, the Council seeks public input in developing the City's goals to meet this vision. This public input process, branded *Pismo Voice*, includes a tri-fold flyer in all utility bills advertising community workshops and directly asks for ideas about priorities, with prepaid postage for return mail to the City. In addition, the City received feedback about priorities from social media outreach efforts, push notifications through the City's website, outreach booths at community events, and several community meetings. The resulting City goals are long-term goals that typically cannot be accomplished in one or two years. As such, City staff develop work plans to implement various stages of those goals and those items are incorporated into the budget.

- Third, the City maintains a five-year operating projection for the General Fund and the Water and Wastewater Enterprise Funds. The General Fund projection is updated quarterly and shared with Council annually. In FY 2019, the City prepared a five-year financial plan for the Water and Wastewater Enterprise Funds as part of the water and wastewater rate development process. These projections allow management to see what the future could look like given a set of assumptions and are evaluated in the context of whether decisions are sustainable over the long term.

- Fourth, the City maintains a 10-year long-range capital planning process that helps drive annual capital funding decisions as well as periodic bond issues for larger investments. The Capital Improvement Plan is approved biennially along with the two-year Adopted Budget.

- Finally, all Governmental Accounting Standards Board (GASB) pronouncements are monitored and implemented into the City's financial statements.

The general fund's budget to actual comparison, a major governmental type fund under the reporting standards, is presented as required supplementary information in a separate section of this report immediately following the notes to the financial statements. For the City's other governmental-type funds, a budget to actual comparison schedule is presented as optional information in the section of this report containing combining financial statements and individual fund schedules.

Economic Condition and Outlook

U.S. Economy

The U.S. economic outlook is healthy for the next two budget years according to key economic indicators. The Federal Open Market Committee (FOMC) released its June 19, 2019 economic projections, which indicate that the U.S. economy is estimated to grow at a rate of 2.0% in 2020 and 1.8% in 2021. This is slightly less than the 2019 estimate of 2.1%. This growth represents the median estimate forecast in real Gross Domestic Product (GDP), which is the total value of goods produced and services provided in a country in one year. GDP growth is how much the economy produced

compared to the previous year. According to the FOMC, GDP growth between the 2.0% to 3.0% per year is the ideal range. The Committee also sees little change in the national unemployment rate, currently 3.6% in 2019, and slightly growing to 3.7% and 3.8% in 2020 and 2021, respectively. The normal range for the unemployment rate is based on the composition of the labor force and the demand and supply of workers. The FOMC estimates that the normal unemployment rate is between 3.6% and 4.5%. Finally, the FOMC projects that inflation will be 1.9% in 2020 and 2.0% in 2021, while the 2019 projection is 1.8%. The FOMC sets monetary policy by reviewing the rate of inflation, and because the 2019 rate of 1.8% is currently below its target 2.0%, the Committee is projected to lower the federal funds rate.

The U.S. is on its tenth year of economic expansion, which is the longest period of economic growth for the country. Compared to previous expansions with more rapid growth of 3.9% in the 1990s and 4.2% in the 1980s, the recovery from the most recent (June 2009) recession has been a gradual increase of about 2.3%. How long will the economy continue to expand before there is another recession? Economic expansions typically end due to imbalances in the economy, economic shocks, major changes in the economy, or public policy. Economic expansions have historically become longer due to improved management of U.S. monetary policy, other government policies, better management of business inventories, technological change, and a stable rise in the service sector. One indicator that the U.S. is headed for a recession is the inversion of the 2-year and 10-year Treasury note yield curve. Typically, the 10-year Treasury note has a higher yield rate than the 2-year Treasury note, suggesting growth in the future. However, recently, the 2-year Treasury note is higher than the 10-year Treasury note. In the past 40 years, recessions have been preceded by this inversion by about 15 to 18 months. In response, the Federal Reserve could continue to reduce rates to stimulate more growth, borrowing funds for homes and for business investments. **In summary, the U.S. economic outlook for FY 2020 and FY 2021 is healthy and expanding, but at a slowing rate. The chances of an economic downturn are increasing, but the timing is uncertain.**

> ***How long will the economy continue to expand before there is another recession?***
> ***"The U.S. economic outlook for FY 2020 and FY 2021 is healthy and expanding, but at a slowing rate."***

State of California Economy

According to the California Department of Finance's economic projections from April 2019, California consumer price index for urban consumers (CPI-U) is expected to grow to 3.8% in FY 2020 compared to FY 2019 and grow by 2.8% in FY 2021 compared to FY 2020. This is compared to the FY 2019 growth from the previous year of 3.5%. The most substantial factor is the cost of gasoline, which is projected to increase by 11.2% in FY 2020, but then decrease by 4.1% in FY 2021. According to the California Legislative Analyst's Office, the state's fiscal health is currently positive and the future-year outlook continues to demonstrate operating surpluses. Overall, **employment is projected to grow** by 0.7% each year for the next two years and the unemployment rate is projected to remain at 4.3%, close to the projected national average. **Personal income is expected to grow** by 4.2% to 4.0% in the next two years.

California Housing Trends

Housing costs and rents are high and housing affordability is a major concern for the state. One of the big factors for high home costs is the lack of supply. These high housing costs make it difficult for many Californians to find housing that is affordable and that meets their needs. Nationwide, home price growth has decelerated (still growing, but at a slower rate). Although mortgage rates are decreasing, there has been little impact on both prices and home sales. Statewide, construction of residential homes has decreased in 2019 compared to 2018. The supply of single-family housing remains low and is growing slowly is due to tighter credit standards compared to the earlier housing boom, slow personal income growth, and more restrictive zoning and environmental regulations. The state's budget includes measures to improve the affordability of housing in the state, including linking the receipt of local streets and road funds to communities' progress toward meeting long-term housing goals.

California Tourism Trends
The City of Pismo Beach is heavily reliant upon tourism to the city. The City's General Fund (the City's largest and most discretionary fund) is made up of 46% TOT revenues, which is a 10% tax on gross rent for stays of 30 consecutive days or less at various lodging properties. In addition, part of the City's sales & use tax revenues come from visitors shopping, dining, buying fuel at service stations, and buying general consumer goods in Pismo Beach.

The California travel and tourism industry continues to show solid growth. According to Tourism Economics' *California Travel & Tourism Outlook* from April 2019 **total visitors to California are expected to grow by about 2.2% in 2020 and in 2021**. Estimated total expenditures in California from these visitors is expected to increase by 4.3% in 2020 and 4.0% in 2021. **However, these growth rates demonstrate a slowing of visitors to California compared to 2011 through 2015**, where visitors to California grew by 3.1% to 5.6% per year. Domestic travel to California makes up 93% of all California visitors, of which residents from Arizona, Nevada, Oregon, and Washington make up the majority of visits. International visitors make up the remaining 7% of California tourists, of which residents from Mexico, China, and Canada make up the top three countries (in decreasing order).

City of Pismo Beach Economy

The City of Pismo Beach is subject to the same economic impacts of the U.S. and the State of California. However, Pismo Beach is more reliant upon tourism compared to the average city. The City's primary visitors come from the San Joaquin Valley, who visit the city largely during the summer to escape the extreme heat in the valley. With these annual visitors, the City enjoys a stable base of visitors. Even as the overall U.S. economy slowly picked up after the Great Recession, Pismo Beach was able to rebound rather quickly due to these more stable visitor revenues. In fact, Pismo Beach continues to lead the way in San Luis Obispo County for tourism and hospitality. According to PKF Consulting, RevPAR (or hotel revenue per available room) in Pismo Beach increased by 3.0% during FY 2019, largely due to average daily room rates increasing by 3.5%, to $170, offset by occupancy rates decreasing 0.4%. However, like the rest of the economy, the City is projecting slowing growth. General Fund revenues are expected to increase in FY 2020 by 3.2% compared to FY 2019 projected actual revenues, largely reflecting two new hotels in the City's downtown area. These revenues are expected to increase by 2.8% in FY 2021 largely due to fully annualizing TOT revenues from the additional hotels.

City's Response to Economic Issues

In response to these economic issues, the City's Adopted Budget includes conservative revenue projections, fully funds its reserves, includes a Budget Stabilization Reserve to help weather reduced revenues during a recession, and continues to pay down its CalPERS unfunded pension liability with one-time prepayments. Although there are potential areas for economic growth, the City remains wary about past revenue declines in all the major General Fund categories. In addition, the City's Adopted Budget includes measures to maintain the City's strong financial position. The budget includes infrastructure investments and other investments in the community and provides support for the City's effective team, while setting aside funds for a rainy day in the event of economic challenges.

In addition, the City's Lodging Business Improvement District collects 1% of gross lodging revenues and uses those funds to promote the Pismo Beach lodging industry. The City uses these funds to open new tourism markets, focusing on getting the most use out of its funds and creating a unique experience for its visitors. The LBID collects another 1% of gross lodging revenues to support visitor serving improvements, including the Pier Plaza/Parking Lot Upgrade Project, the Shell Beach Streetscape Project, Addie Street area improvements, and the pedestrian connections under the Highway 101 at Price Street and Spyglass Drive for the Pismo Preserve entrance.

CalPERS Discount Rate Change

The City of Pismo Beach provides retirement benefits for full-time employees through CalPERS. Unfortunately, CalPERS is underfunded, meaning that as of January 2018, CalPERS had only 68% of the funds required to pay estimated retirement benefits. Although the funded rate is a moving target depending on the amount of contributions into CalPERS and the market value of CalPERS investments, an 85% to 90% funded rate would allow CalPERS to support current and future retirement benefits, while a 50% funded rate could mean that the pension system may not be able to deliver promised benefits. There are several factors contributing to the underfunding of the CalPERS system, the largest of which is investment performance in the past two national recessions. Although the 2013 pension reform and CalPERS' more conservative investment changes have reduced the potential for further decline in CalPERS funded status, there still remain large unfunded accrued liabilities (UAL) from promised defined benefits compared to the fiscal health of the CalPERS system.

The City of Pismo Beach has taken a proactive approach to managing the City's UAL, which is essentially debt with a 7.0% interest rate. The most significant elements of the City's management of these costs are maintaining level staffing and budgeting conservatively. The City Council also contributed $3 million towards its UAL, saving hundreds of thousands in interest costs, renegotiated new retirement tiers, and increased employee contributions. However, the City's funded status still hovers around the 70% mark. Based on what CalPERS is requiring from the City to pay down its UAL, assuming reduced investment earnings performance, staff projects that these future payments could require the City Council to make tough decisions between maintaining current operations or paying into its retirement system.

Factors Contributing to CalPERS System Unsustainability

There are several factors contributing to the unsustainability of the CalPERS system, to the largest of which is past investment performance, exacerbated by other factors including demographic changes, automatic cost of living adjustments for retirees, and enhanced retiree benefits.

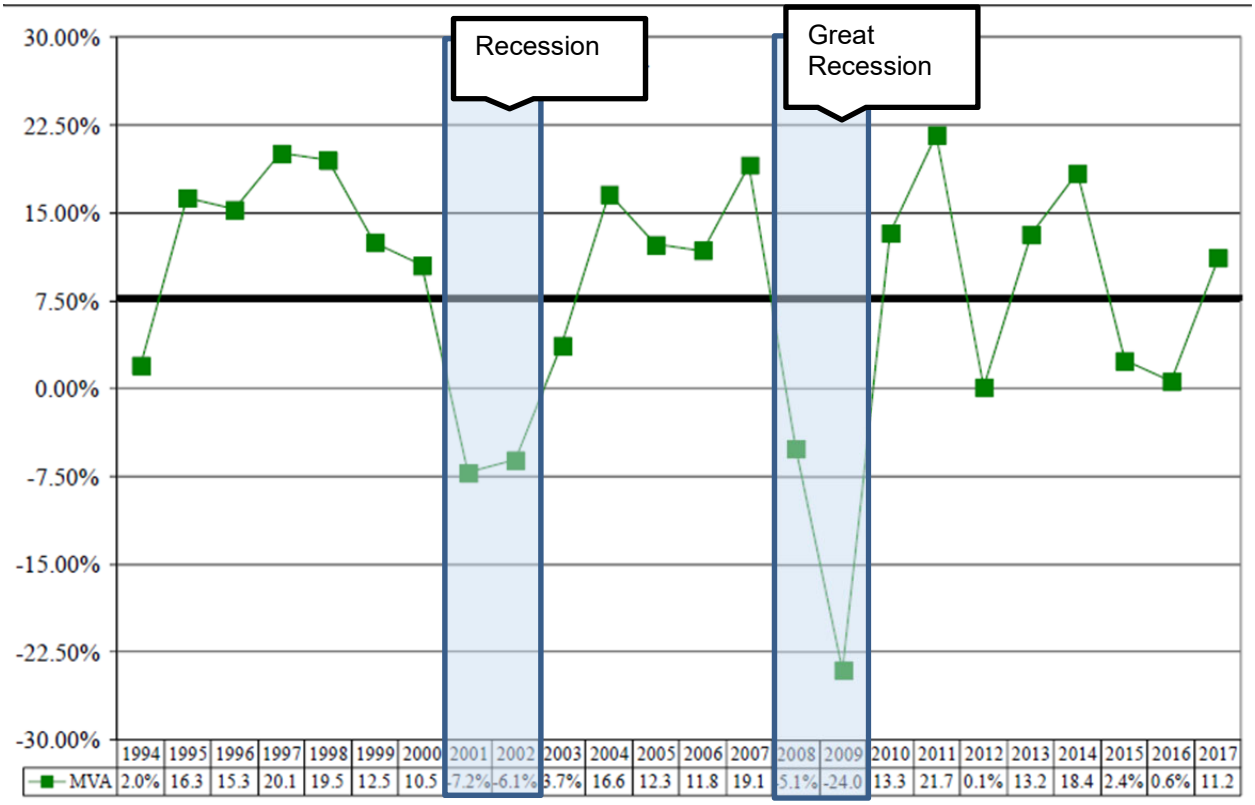
CalPERS Past Investment Performance and Rate of Return

Prior to 2017, CalPERS provided pension benefits based on a 7.5% annual long-term rate of return. This meant that CalPERS expected to earn approximately 7.5% on average each year on the contributions into CalPERS. However, in the last two recessions, CalPERS has suffered significant losses.

- During the recession in 2000 and 2001, CalPERS had losses of 7.2% and 6.1%, respectively, in investment earnings.
- During the Great Recession in 2008 and 2009, CalPERS suffered losses of 5.1% and 24.0%, respectively, of investment earnings and since then, has been struggling to recover those losses.

The following chart illustrates CalPERS historical investment performance at the end of each year, demonstrating the two significant losses.

CalPERS Historical Investment Returns 1994 –2017



Above assumes contributions, payments, etc. received evenly throughout year.

As retirement benefit payments are made up of 61% from investment earnings, 26% from CalPERS employers, and 13% from CalPERS employee member contributions, the two recessions have led to a larger UAL for most CalPERS member agencies. When the pension plan's investment earnings are lower than expected, the fund needs to make better-than-expected earnings in future years, request higher contributions from employers and employees, or reduce retiree benefits.

Other Factors

Although past investment performance is the primary factor in the current unsustainability of CalPERS, the UAL is intensified by other factors including demographic changes, automatic cost of living adjustments (COLAs) for retirees, and enhanced retiree benefits. Regarding demographic changes, the number of annual retirees drawing down from CalPERS for pension payments is increasing compared to active employees contributing into CalPERS with reduced contributions. This factor decreases the amount of funds paid into CalPERS. In addition, several actuarial factors including mortality rates, are improving, creating a larger liability. Retiree COLAs are automatic, increasing in years even when there is flat or negative inflation, which draws funds out of CalPERS. Finally, each plan has several enhanced benefits, including earlier retirement ages and larger compensation packages and resulting pensions as a percentage of salaries. All these factors contribute to an increase in the UAL and negatively impact the future stability of CalPERS.

What Has the State/CalPERS Done to Fix the Problem? CalPERS Pension Reform and Investment Changes

Due to the dramatic losses in the CalPERS system after the most recent two recessions, there has been significant support for pension reform.

- In 2012, Governor Jerry Brown signed into law the California Public Employees' Pension Reform Act (PEPRA), which changed the way CalPERS retirement and health benefits are applied, and

placed compensation limits on members hired after January 1, 2013. The cost savings of this legislation will be realized over 20 years as more PEPRA employees are hired.

- Beginning in July 2015, CalPERS changed the way employers' contributions into the plan were calculated, placing an increased burden on employers. This resulted in requiring larger contributions by public agencies into the CalPERS system.

- In December 2016, the CalPERS Board voted to reduce the expected rate of return (discount rate[1]) on CalPERS investments from 7.5% to 7.0% over the next three years. This change is intended to reflect more realistic future investment returns. But because the retirement system is based on defined benefits, with a lower expected earnings rate, the result is that CalPERS member agencies will need to pay higher employer rates. This change also increases the City's UAL.

- In February 2018, the CalPERS Board voted to change the amortization period for any prospective gains/losses on investments to a 20-year amortization period (compared to a 30-year amortization period) starting with the FY 2019 valuation. This change will have the impact of increased volatility in the amount that cities would need to contribute to CalPERS as the impacts are spread over a shorter time frame.

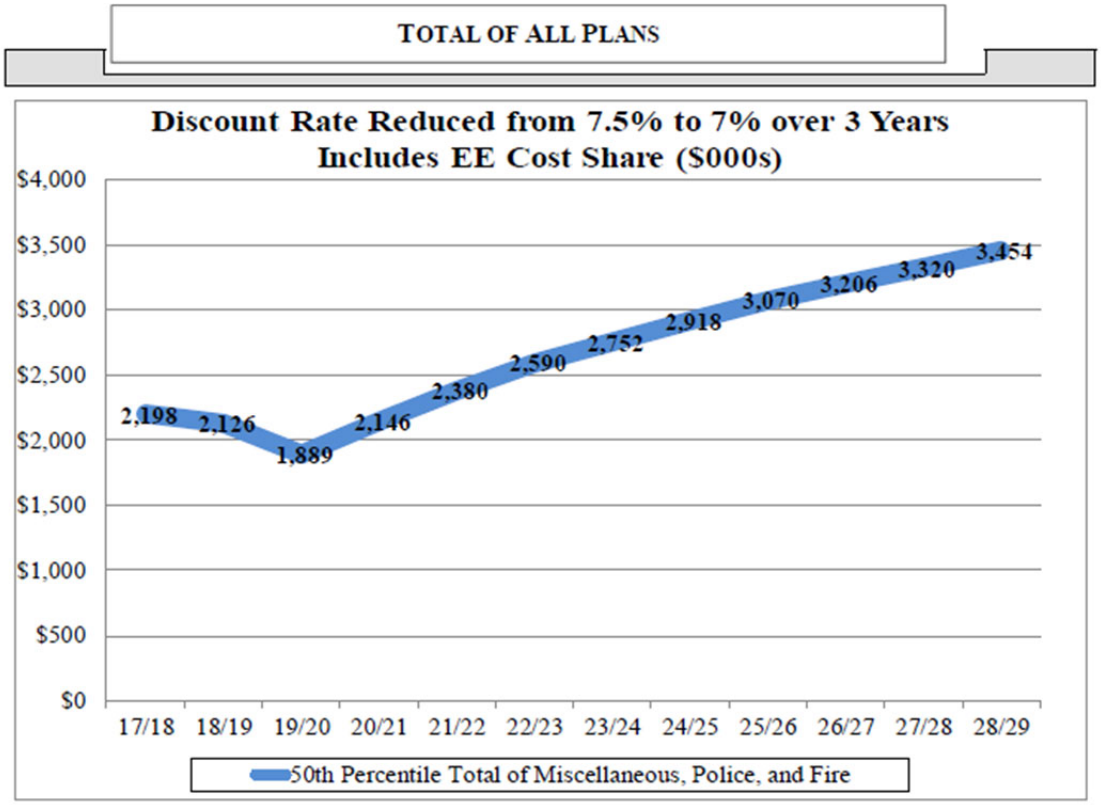
Each time changes are implemented into member agencies' pension plans, they are reflected in the plans over a period of 20 to 30 years to minimize the impact of the investment losses and resulting impact in increased contributions by CalPERS member agencies. Although a smoothing policy is least impactful on a fiscal-year basis, spreading out the losses means that member agencies will continue to pay interest costs equal to the discount rate over a longer term, ultimately costing more to member agencies.

What is the Fiscal Health of the City of Pismo Beach's Pension Plans?
Every year, CalPERS performs an actuarial study to determine how much the City should contribute based on the most recent valuation of the Plan's funded status. Based on CalPERS actuarial valuation for the fiscal year ending on June 30, 2016 (FY 2016), the June 30, 2018 estimated balance of the Miscellaneous Plan tier 1 has a UAL of $9.05 million. Bartel and Associates (Bartel), the City's actuarial consultants, calculates that this plan is 70.6% funded based on the estimate June 30, 2018 funded status. The Safety Police Plan UAL is $7.62 million. Bartel calculates that this plan is 70.3% funded.

Looking into the future, Bartel projects that the fiscal impact to the City for all plans will increase by 57% in FY 2029 compared to FY 2018, will continue to increase until FY 2032 at its peak, then ramp down until the UAL is paid off in FY 2048. This is about a $114 thousand per year increase compared to the previous year, or an ongoing increase of $1.26 million by FY 2029. A $1.26 million ongoing increase in cost is unsustainable and could require the City to either increase taxes or support other ongoing revenue measures, pursue other economic development efforts to raise revenues, or decrease operations in order to support this cost. Further, this amount does not include pension related costs in the Cal Fire contract. The City contracts for fire prevention services with Cal Fire, which is also a member of CalPERS. Those costs will likely increase at the same rate or faster, as safety-related plans are generally more costly with higher benefits and lower retirement ages. The following chart illustrates Bartel's projected retirement costs from the City from FY 2018 through FY 2029.

[1] **Discount Rate**
The discount rate, or the long-term expected rate of return, is based on the CalPERS actuarial assumptions that it will earn a certain percent investment return on all of the amount it invests as well as on all the amounts that are owed. If the actual rate of return is less than this amount and all other factors remain the same (e.g., number of annual retirements, mortality, compensation adjustments, etc.), later annual valuations will reflect a greater UAL. There is discussion among CalPERS staff that this discount rate could be further reduced from 7.0% to 6.5% or 6.0% as CalPERS changes the mix of investments from more growth earnings to fixed-earning investments. CalPERS has stated that it expects to earn about 6.1% per year over the next 10 years, which will result in even higher pension costs.

CalPERS Projected Costs FY 2018 – FY 2029



Note that the decrease in cost in FY 2019 reflects the Miscellaneous Plan tier 1 Side Fund paid off due to the City's $1 million prepayment in FY 2015. The Side Fund is just one portion of the Plan's UAL. The decrease in FY 2020 reflects the Safety Police Plan tier 1 Side Fund paid off based on a completed amortization of those costs.

City's Proactive Approach to CalPERS

The City recognizes that pension costs are rising, which places an increased burden on local taxpayers and the City to come up with funds sufficient to support its pension obligations. Although not in a critical situation compared to some public agencies that are facing large reductions in staff and operating costs or facing bankruptcy, the City continues to look for ways to be proactive and reduce this burden to avoid difficult decisions in the future.

What the City has Done so Far

So far, the City has taken the following steps:

- ✓ *Maintained level staffing*: The City has maintained level full-time staffing despite increased workloads for development and implementing ambitious goals. This factor has allowed the City to keep pension costs from rising, as each new full-time employee is enrolled in CalPERS. Comparing budgeted full-time employees across the county and including Santa Maria, all cities increased the number of full-time employees (FTEs) in FY 2018 compared to FY 2016 on average by 4.44 FTEs, with the low end an increase of 1.25 FTEs and on the high end 10.00 FTEs. Pismo Beach was the only City in the County in the past four years that actually decreased the number of FTEs by 1.00.

What is the City doing to resolve this issue?

The City Council:

- ✓ Maintained level staffing
- ✓ Created 2nd and 3rd Tiers with Reduced Benefits for New Employees
- ✓ Increased Employee Contributions
- ✓ Prepaid UAL by $3 Million to Reduce Interest Costs
- ✓ Set-aside $1.0 Million to Make a Prepayment to CalPERS in FY 2020
- ✓ is a voice for CalPERS pension reform.

- ✓ *Creation of 2nd and 3rd Tiers with Reduced Benefits for New Employees*: The City of Pismo Beach has taken a proactive approach to handling the increased cost of providing pension benefits to its employees. An early adopter, the City successfully negotiated in 2012 with its employees and labor unions to create a second tier of reduced retirement benefits, including a later retirement age, for new employees to the City of Pismo Beach. With PEPRA in 2013 came a third tier of further reduced benefits and an even later retirement age.

- ✓ *Increased Employee Contributions*: In addition, the total contribution made by the City to CalPERS is made up partially from contributions by the City based on a percentage of payroll from taxpayer and rate-payer dollars as well as the employee paying into the system as a percentage of their salary. In 2012, the City successfully negotiated with its employees and labor unions for employees to increase their contribution the full amount of the employees' portion and in some cases, a small part of the City's employer contribution.

- ✓ *Prepaid UAL by $1 Million to Reduce Interest Costs*: On March 17, 2015, the City Council unanimously approved a $1 million payment to reduce the City's UAL costs. This payment reduced the City's unfunded pension costs by an estimated $670 thousand and reduced the annual ongoing contribution of approximately $200 thousand per year to CalPERS starting on July 1, 2018.

- ✓ *Prepaid UAL by $2 Million to Reduce Interest Costs*: On March 3, 2018, the City Council unanimously approved a $2 million payment to reduce the City's UAL costs. This payment reduced the City's unfunded pension costs and reduced the annual ongoing contribution of approximately $182 thousand per year to CalPERS starting on July 1, 2019.

- ✓ *Set-aside $1.0 Million to Make a Prepayment to CalPERS in FY 2020*: the City Council included a $1.0 million set-aside from the General Fund to reduce the City's UAL costs.

- ✓ ***Finally, the City Manager is working with the League of California Cities to start discussions about pension reform as the current pension system is not sustainable.*** Pismo Beach and other leaders in the state are working together to be a voice for pension reform and to take measures to resolve this upcoming crisis.

Nuclear Power Plant Closure

PG&E has publicly announced closure of Diablo Canyon Power Plant (DCPP) after its current U.S. Nuclear Regulatory Commission operating licenses expire in November 2024 and August 2025. PG&E has also publicly stated that the power produced by DCPP's two nuclear reactors is expected to be replaced with investment in a greenhouse-gas-free portfolio of energy efficiency, renewables and energy storage. The proposal is contingent on a number of regulatory actions, including approvals from the California Public Utilities Commission.

Based on preliminary research, the estimated cumulative impact during 2017 to 2025 on the City is approximately $867,000, of which approximately $839,000 impacts the General Fund and $28,000 impacts the Lodging Business Improvement District (LBID) Fund. According to the City, the ongoing impact is estimated to be a $227,000 (approximate) per year loss to the City, of which approximately $222,000 impacts the General Fund and approximately $6,000 impacts the LBID Fund. There are many variables and assumptions associated with these fiscal impacts, which are likely to change. The largest components of this loss is to the City's unitary property tax revenues and to the TOT and LBID Assessment revenue loss. The City does not expect DCPP's closure to have a material impact on the City's finances.

A coalition of seven local cities, including Pismo Beach, joined forces with San Luis Obispo County and the San Luis Coastal Unified School District, stating that PG&E's initial mitigation plans were not enough to help the economy deal with the upcoming plant closure. On September 19, 2018, Governor Brown signed Senate Bill (SB) 1090 based on the coalition's efforts that will give San Luis Obispo

County communities $85 million to mitigate the impacts of Diablo Canyon nuclear power plant closing. Of the $85 million settlement, $75 million is to help offset property tax losses by the school district, the county, and 69 other special districts, while the remaining $10 million will be for economic development efforts in the county and cities. PG&E will pay between $37.5 million and $62.5 million toward local emergency planning efforts until all spent fuel is in dry cask storage and the two nuclear reactors are fully decommissioned. SB 1090 will help soften the impact of the plant closure for the Pismo Beach.

The City received settlement funds for Essential Services Mitigation Funds (ESMF) and for Economic Development Funds (EDF). The City should receive $20,581.13 in nine annual payments for a total of $185,230.17 in ESMF dollars and a one-time payment of $767,028 in EDF dollars.

Relevant Financial Policies

The City of Pismo Beach has adopted a comprehensive set of financial policies to provide guidance for all fiscal activities and resource allocation decisions as defined in the Adopted Budget and Purchasing Policy. In addition, the City Council approved or adopted several other fiscal policies including:

- Debt Management Policy, a new policy for the City adopted in March 2017
- City's Investment Policy, adopted most recently in January 2018
- Adopted an ordinance to amend the City's Municipal Code to add details on committed fund balances, including the General Fund Reserve, the General Fund City Facility Reserve, and the Risk Management Reserve policies in April 2015
- Capital Assets Policies and Procedures, effective on July 1, 2014 as part of the City's Purchasing Policy.

The following policies are particularly relevant to the City's financial performance in FY 2019.

General Fund Reserve: Establish and maintain a General Fund reserve of 25% of budgeted expenditures in the General Fund. The City maintained a General Fund reserve of 25% of budgeted operating expenditures and did not use any of these reserves.

Risk Management Reserve: Establish and maintain a Risk Management Reserve to be used for unanticipated risk management costs, funded with $50 thousand per year, up to $250,000. The City maintained a reserve of $250 thousand in FY 2019 and did not use any of these reserves.

Cost Recovery: Establish the level of cost recovery desired from various fees for services. The City Council approved an updated cost allocation model and implemented a phase-in approach of the cost allocation starting in FY 2016 and increasing the recovery each fiscal year.

Establish New Fees: Review fees annually, establish actual costs and adjust and establish new fees as needed. The City Council approved updated Development Impact Fees effective April 20, 2019 as part of a comprehensive update to the fees established as early as 2004. All other City Fees are updated by an inflation factor or updated based on federal and state requirements.

Infrastructure: Contribute from the General Fund annually for the improvement of infrastructure. The City contributed to various infrastructure improvements in FY 2019, including: Pismo Pier Rehabilitation project, Downtown sidewalk pavers, and energy efficiency projects.

Public Safety: Provide funding to maintain adequate levels of safety for citizens and visitors of Pismo Beach. The City supported the replacement of police officers' body cameras and the expansion of the community camera program.

Water and Wastewater Funds: Maintain adequate reserve funds for the construction and replacement of major capital facilities of the Water and Wastewater Funds by setting rates at levels sufficient to provide the necessary funding. After a comprehensive analysis, public outreach, and multiple public hearings and workshops, the Council adopted new Water and Wastewater Fees effective June 5, 2019.

Economic Development: Achieve organized, sustainable community development for the citizens of Pismo Beach by providing a diverse economic base while preserving our scenic beauty, small town charm, and historical assets. The City contributed various funds in FY 2019 for the implementation of the Downtown Strategic Plan, the completion of the Pier Rehabilitation project; work towards creating visitor-serving Airstreams on the Pismo Pier; installation of new playground equipment at Dinosaur Caves Park; and the waterline upgrades as part of the Shell Beach Streetscape Phase 1 project.

Projects Accomplished in FY 2019

Pismo Beach is an active and vibrant community, with a municipal government that is proactive and prepared to respond to changing community needs. Even with a small staff, the City has accomplished many projects in FY 2019. The following list highlights some of the most significant accomplishments in FY 2019.

Infrastructure Maintenance and Beautification
- ✓ Completed the preliminary design for Old City Hall/future Public Safety Facility
- ✓ Circulation Element Update approved and certified by California Coastal Commission
- ✓ Shell Beach Streetscape project – waterline replacement
- ✓ Downtown trashcan replacement
- ✓ Energy Efficient Project completion, including new solar panels, new variable frequency drives at the City's wastewater lift stations, high efficiency LED lighting and HVAC systems, and electric vehicle charging stations. These efforts should reduce emissions by 1,053 metric tons of CO2 annually, which is the equivalent to removing 225 cars off the road each year and reduces the City's electricity costs by approximately 40%
- ✓ Design work to replace the Bello Bridge
- ✓ Planning work towards the Central Coast Blue project for a regional recycled water facility
- ✓ Wastewater Treatment Plant Improvement project
- ✓ Five Cities Lift Station and Vista Del Mar Lift Station upgrades

Housing, Health, and Safety
- ✓ Assisted in implementation, plan review, and inspection for the new short-term rental (STR) program
- ✓ Accessory Dwelling Unit Ordinance update approved and certified by the California Coastal Commission
- ✓ Implemented a comprehensive traffic safety program
- ✓ Replacement of Police body camera
- ✓ Created and printed a partially Fire Safe Council grant-funded City of Pismo Beach Emergency Pre-Plan Field Guide
- ✓ Implemented Beach Drowning Accident Rescue Team program that reduced water rescues by 25%
- ✓ Accomplished Citywide Business/Hotel Inspection Program goals
- ✓ Consulted on and implemented Vegetation Management Projects at Price House, Price Canyon/Heights, El Portal Drive, Bluffs Cave, Highland Drive
- ✓ Purchased grant-funded Open Space/Special Event response vehicle
- ✓ Replaced lifeguard tower and fire engine

Preservation of essential services and fiscal health
- ✓ Fully funded the General Fund Reserve at 25% of General Fund budgeted operating expenditures
- ✓ Maintained the Risk Management Reserve for a total balance of $250 thousand to fund unanticipated general liability and workers' compensation costs
- ✓ Maintained the $500 thousand General Fund City Facility Reserve
- ✓ Established a $2.0 million Budget Stabilization reserve
- ✓ Set-aside $1.0 million for a prepayment to the City's CalPERS unfunded pension liability to save in interest costs over the next 30 years

Economic Development
- ✓ Installed new play equipment at Dinosaur Caves Park
- ✓ Completed single-space meter trial and expanded the program
- ✓ Special Events continue to be popular for the local community, serving over 2,500 participants for larger events such as Easter Eggstravaganza and Pumpkins in the Park. Holiday Harmony was brought back to the Pier successfully.

Community Awareness and Communication
- ✓ Completed the FY 2020 and FY 2021 Public Outreach program through the utilization of *Pismo Voice*, information sessions, and traditional mail-in responses
- ✓ Conducted 2018 General Municipal Election
- ✓ Completed digital audio upgrade in the Council Chamber
- ✓ Managed and successfully executed City events including the 4th of July, Clam Festival / Pier Fest and Band Review
- ✓ Launched the new Police MyCop smart device app to engage the public about the MyCop program

FY 2020 Major Initiatives

The future continues to be very bright for the City of Pismo Beach, its residents, and its visitors. FOCUSING ON QUALITY OF LIFE calls for making major investments in areas that will positively impact our community for many years to come. Specifically, these investments are outlined in more detail below.

Creating an Accessible Gathering Place for the Community in the Downtown Area

The Adopted Budget includes strategic investments focused on bringing our community together in the downtown area, including:

- Construction of the Pier Plaza, including new restrooms, access improvements, visitor amenities, and parking lot improvements
- Installation of new banners on the Pier to create a sense of place
- Replacement of beach wheelchairs to make the beach more accessible
- Purchase and installation of additional downtown trash cans for a uniform look and litter prevention
- Implementation of a new Visitor Information Center and restaurant on the Pier in Airstreams to provide a better experience for visitors and residents alike
- Enhance the cleanliness of the new downtown area sidewalk pavers

Beautifying and Making Accessible Popular Coastal Areas

The Adopted Budget includes investments focused on beautifying and making accessible popular coastal areas for our residents and visitors, including:

- Completion of plans and studies for the Ocean Boulevard Enhancement Project, including bluff stabilization, a pedestrian path, and the replacement of the Morro Avenue stairs to provide better access to the beach
- Installation of dynamic signage for circulation and parking to help visitors identify available parking
- Addition of a mobile application for motorists to identify and pay for downtown parking
- Continuation of the acquisition process for Highway 1/Dolliver Street and monitor Caltrans schedule and funding for rehabilitation and improvements
- Implementation of a new sign program for coastal access points

Developing a Sustainable Community

The Adopted Budget makes significant strides focused on the City's sustainability into the future, including the City's water resources, financial resources, and human resources, including:

- Being proactive about protecting our clean water while ensuring clean water is available into the future
- Continuation of moving the Central Coast Blue Project forward, including seeking funding for and planning and design of a regional reclaimed water facility
- Continued maintenance of the water system, including reservoir replacement and maintenance
- Update the Urban Water Master Plan (UWMP)
- Replacement of waterlines for improved water flow for fire safety
- Improving opportunities for employee education and training that result in more efficient, resourceful, and entrepreneurial operations
- Setting aside substantial financial reserves to prepare for rising costs associated with pension costs, risk management costs, City facility improvements, and a potential recession
- Continuing to enhance the award-winning environment and culture at City facilities to improve employee morale, development, and creativity

Creating a Well-Planned and Safe Community

Finally, the Adopted Budget also focuses investments for a well-planned and safer community for our residents and visitors, including:

- Update the General Plan/Local Coastal Plan that will provide the roadmap for future development for the City
- Development of plans and studies for a new Public Safety Facility, including a transition plan and enhance operation capability from the new facility
- Price Canyon Road slope repair due to damage from previous storms
- Speed survey update as required by the California Vehicle Code
- Pavement Management Plan update to identify and plan for future street maintenance and repairs
- Identification of alternate options for energy use, generation, and delivery
- Purchase and installation of additional investment in public safety equipment, including a mobile command vehicle for community safety and events
- Work with the Land Conservancy of San Luis Obispo County to ensure a successful Pismo Preserve opening that creates an accessible entry for residents and visitors while being complementary to the neighborhood

AWARD AND ACKNOWLEDGMENTS

Award for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Pismo Beach for its comprehensive annual financial report (CAFR) for the fiscal year ending on June 30, 2018. In order to receive this award, the City published an easily readable and efficiently organized CAFR. This report satisfies both U.S. generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a one-year period only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Administrative Services Department. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the Members of the City Council, and the Executive Management Team for their continued support for maintaining the highest standards of professionalism in the management of the City of Pismo Beach's financial affairs.

Respectfully submitted,

James R. Lewis
City Manager

Nadia Feeser
Administrative Services Director

City Council

Mayor	Edward Waage
Mayor Pro Tempore	Erik Howell
Council Member	Sheila Blake
Council Member	Marcia Guthrie
Council Member	Mary Ann Reiss

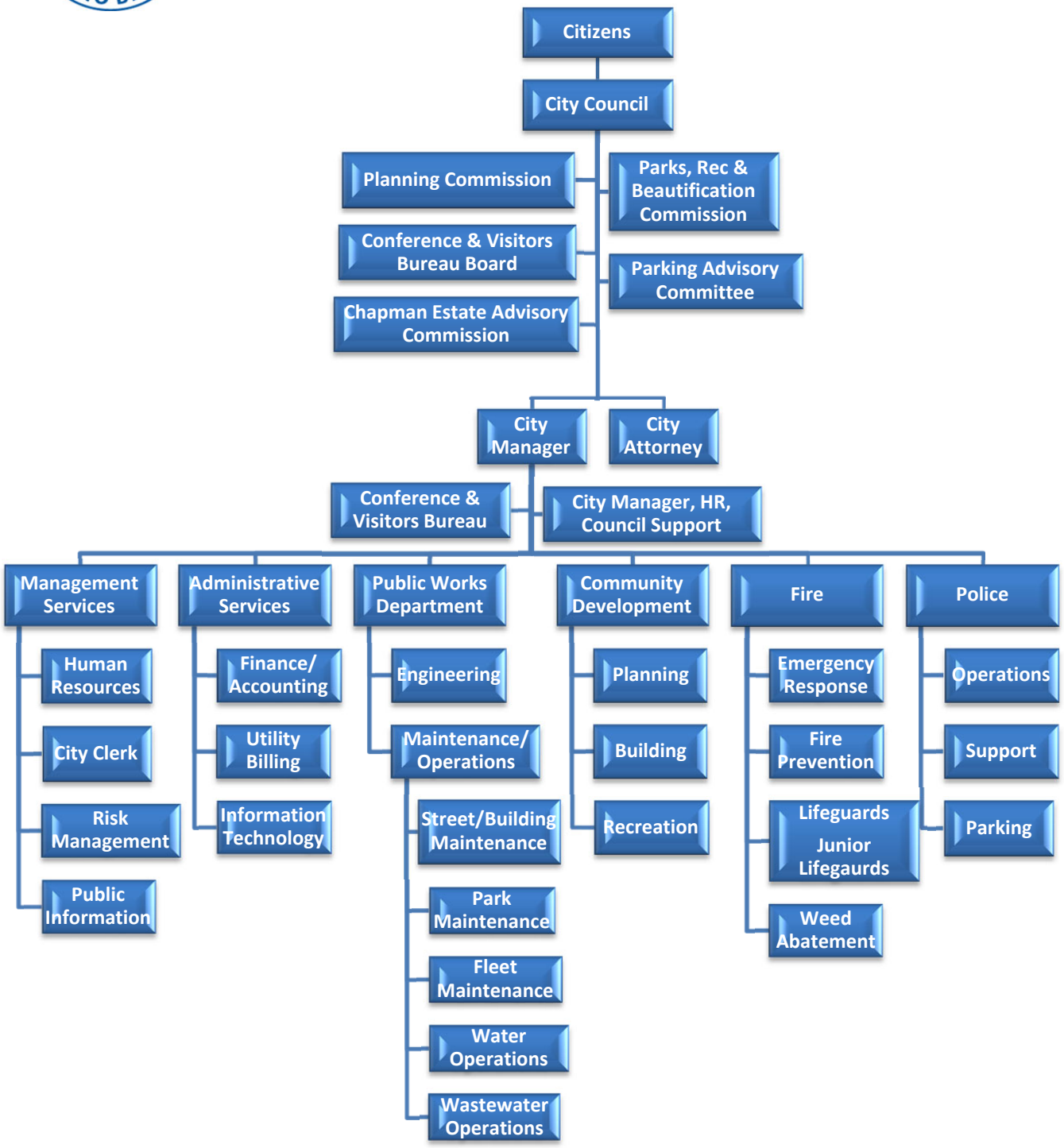
Executive Management Team

City Manager	James R. Lewis
Administrative Services Director	Nadia Feeser
Community Development Director	Jeff Winklepleck
Fire Battalion Chief	Paul Lee
Management Services Director	Jorge Garcia
Police Chief	Jake Miller
Public Works Director/City Engineer	Benjamin Fine
Tourism & Events Director	Gordon Jackson

Year End Audit / Financial Statement Team

Administrative Services Director	Nadia Feeser
Finance Manager	Susan West-Jones
Accounting Supervisor	Vanessa Garris
Accounting Technician	Kristin Bennet
Accounting Clerk	Dawn Meisner
Accounting Clerk	Brenda Padilla
Office Assistant II	Brenda Alvarado

City of Pismo Beach
Organizational Chart



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Pismo Beach

California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrill

Executive Director/CEO

Financial Section

INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Pismo Beach, California
Pismo Beach, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pismo Beach, California (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pismo Beach, California, as of June 30, 2019, 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.

Emphasis of Matter

Change in Accounting Principle

As described in Note 13 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements.* Our opinion is not modified with respect to this matter.

As described in Note 13 to the basic financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 15, and required supplementary information on pages 76 through 83 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund statements and schedules and the other schedules (supplementary schedules) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund statements and schedules and the other schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Teaman Ramirez & Smith, Inc.

Riverside, California
December 16, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pismo Beach's comprehensive annual financial report presents a narrative overview and analysis of the City's financial activities during the fiscal year that ended on June 30, 2019. Please read it in conjunction with the City's transmittal letter (in the Introductory Section) and the audited financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

The following outlines financial highlights for the year:

- The City's total net position increased by about $10.66 million over the course of this year's operations after conducting all City operations and programs. The assets of the City exceeded its liabilities and deferred inflows/outflows of resources by about $125.43 million at the end of the 2019 fiscal year. Of that amount, $37.04 million (the unrestricted net position) may be used to meet the City's ongoing obligations and operating expenses for the next fiscal year.

- Overall City-wide revenues from all governmental and business-type activities increased by about $2.84 million compared to the 2018 fiscal year. The increase in revenues was primarily in: operating grants and contributions of $1.57 million; charges for services of $0.81 million; other revenues of $0.67 million; and property, sales, and other taxes of $0.47 million; and transient occupancy taxes of $0.46 million.

- Transient Occupancy Tax Revenues increased by $0.46 million, or 4.58%, in the 2019 fiscal year to $10.50 million.

- The City's total expense of all programs in the 2019 fiscal year increased by about $1.17 million compared to the 2018 fiscal year.

- The General Fund reported a fund balance of $24.37 million at the end of the 2019 fiscal year; an 8.53 percent increase over the end of the 2018 fiscal year. The General Fund unassigned balance at the end of fiscal year 2019 was $7.76 million.

- The City also ended the 2019 fiscal year with $20.27 million reported in the proprietary enterprise funds (the amount of the net position available for use both restricted and unrestricted but excluding the net investment in capital assets).

- The City's other governmental funds ended the 2019 fiscal year with about $8.27 million available for special purposes.

- The City completed construction on the Pier Rehabilitation project spending $8.45 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

The basic financial statements are comprised of three components: Government-wide Financial Statements, Fund Financial Statements, and Notes to the Financial Statements. This report also contains required supplementary information and a section containing combining statements and schedules for non-major governmental funds and proprietary funds.

Government-wide Financial Statements provide both long-term and short-term information about the City's overall financial status.

Fund Financial Statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- The *governmental funds* statements tell how *general government* services like public safety, general government, community services, public works, and streets were financed in the *short-term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short* and *long-term* financial information about the activities the government operates *like businesses*, such as the City's water, wastewater, parking, pier and transit systems.

Notes to the Financial Statements explain some of the information in the financial statements and provide more detailed data.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1
Major Features of City of Pismo Beach's Government-Wide and Fund Financial Statements

		Fund Statements	
	Government-Wide Statements	Governmental Funds	Proprietary Funds
Scope	Entire City government	The activities of the City that are not proprietary or fiduciary, such as police, fire, streets, general government, and community services	Activities the City operates similar to private businesses: the water, wastewater, parking, pier and transit systems
Required financial statements	Statement of net position Statement of activities	Balance sheet Statement of revenues, expenditures, and changes in fund balance	Statement of net position Statement of revenues expenses, and changes in net position Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies.

The two government-wide statements report the City's net position and how it has changed.

The **Statement of Net Position** presents information on all the City's assets and liabilities. The Net Position – the difference between the City's assets, deferred outflows, liabilities, and deferred inflows – is one way to measure the City's financial health, or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating, respectively.

The **Statement of Activities** includes all of the current year's revenues and expenses regardless of when cash is received or paid. This shows how the government's net position changed during the most recent fiscal year.

Both government-wide financial statements of the City are reported in two categories:

- *Governmental activities* – All of the City's basic services are included here, such as general government, police, fire, streets, public works, and community services. Property taxes, sales taxes, transient occupancy taxes, special and other taxes, user charges and fees and state, local and federal grants help to finance these activities.

- *Business-Type activities* - The City charges fees to customers to help cover the costs of certain services. The City's water, wastewater, parking, pier and transit enterprises are reported here.

FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the City's most significant funds – not the City as a whole. Funds are accounting devices that the City uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law such as the State Gas Tax Fund and Transportation Development Act / Local Transportation and Transit Funds.

- The City Council establishes other funds to control and manage money for particular purposes such as the Capital Project Fund.

- Some funds are maintained to demonstrate that the City is properly using certain specific fees for their intended purpose such as the Impact Fee Funds.

- Other funds are maintained for similar purposes but in addition demonstrate the City's ability to repay its long-term debt obligations such as the revenue bonds.

  The City has two kinds of funds:

- *Governmental funds* – The City's basic services are included in governmental funds, which focus on (1) how cash and other financial *assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term view* that helps you in determining whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information on the subsequent page that explains the relationship (or differences) between them.

- *Proprietary funds* - The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions reported as business-type activities in the government-wide financial statements; the City's water, wastewater, parking, pier and transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its fleet of vehicles and its information technology systems. Because these services predominately benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide statements, only in more detail. The proprietary fund statements provide separate information for the City's water, wastewater, and pier operations, all of which are considered to be major funds of the City. The vehicle internal service fund and information technology internal service fund are presented in a separate column alongside the totals for the City's proprietary enterprise funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. The City's *combined* net position increased about $10.66 million between fiscal years 2018 and 2019.

Table A-1

City of Pismo Beach's Net Position

(in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018-2019
Current and other assets	$40.51	$40.44	$23.60	$23.36	$64.11	$63.79	0.50%
Capital assets	54.73	48.69	45.92	39.62	100.65	88.31	13.97%
Other noncurrent assets	1.50	1.46	-	-	1.50	1.46	2.74%
Total assets	**$96.74**	**$90.59**	**$69.52**	**$62.98**	**$166.26**	**$153.56**	**8.27%**
Deferred Outflows	5.34	7.51	1.06	1.30	6.40	8.82	-27.40%
Long-term debt outstanding	26.40	29.85	12.47	11.79	38.87	41.64	-6.65%
Other liabilities	4.65	3.46	2.03	2.16	6.68	5.62	18.80%
Total liabilities	**$31.05**	**$33.32**	**$14.50**	**$13.95**	**45.55**	**$47.26**	**-3.62%**
Deferred Inflows	1.45	0.30	0.02	0.05	1.47	0.35	320.00%
Net position							
Investment in capital	43.36	37.03	35.56	29.97	78.92	67.00	17.79%
Restricted	5.98	7.95	3.49	7.40	9.47	15.35	-38.29%
Unrestricted	20.26	19.50	16.78	12.92	37.04	32.42	14.25%
Total net position	**$69.60**	**$64.49**	**$55.83**	**$50.28**	**125.43**	**$114.77**	**9.29%**

Net position of the City's governmental and business-type activities increased 9.29 percent to $125.43 million. About 62.9 percent of the net position of the City are represented by the City's net investment in its capital assets such as buildings, land, equipment, street systems, and facilities less related debt. The remaining 37.1 percent is essentially represented by cash, investments, and receivables. About 85

percent of the City's total liabilities are represented by long-term obligations including revenue bonds, state revolving fund loans in the Wastewater Fund, employee compensated absences, and self-insured portions of claims.

Changes in Net Position

Revenues: The City's fiscal year 2019 total revenues of about $44.60 million were about $2.84 million higher than revenues in fiscal year 2018, a 6.79 percent increase. (See Table A-2.) About 55.6 percent of the City's revenue comes from some type of tax revenue including property, sales, transient occupancy taxes (the hotel tax) and other taxes. The rest comes from fees charged for services, state, local and federal aid, and contributions.

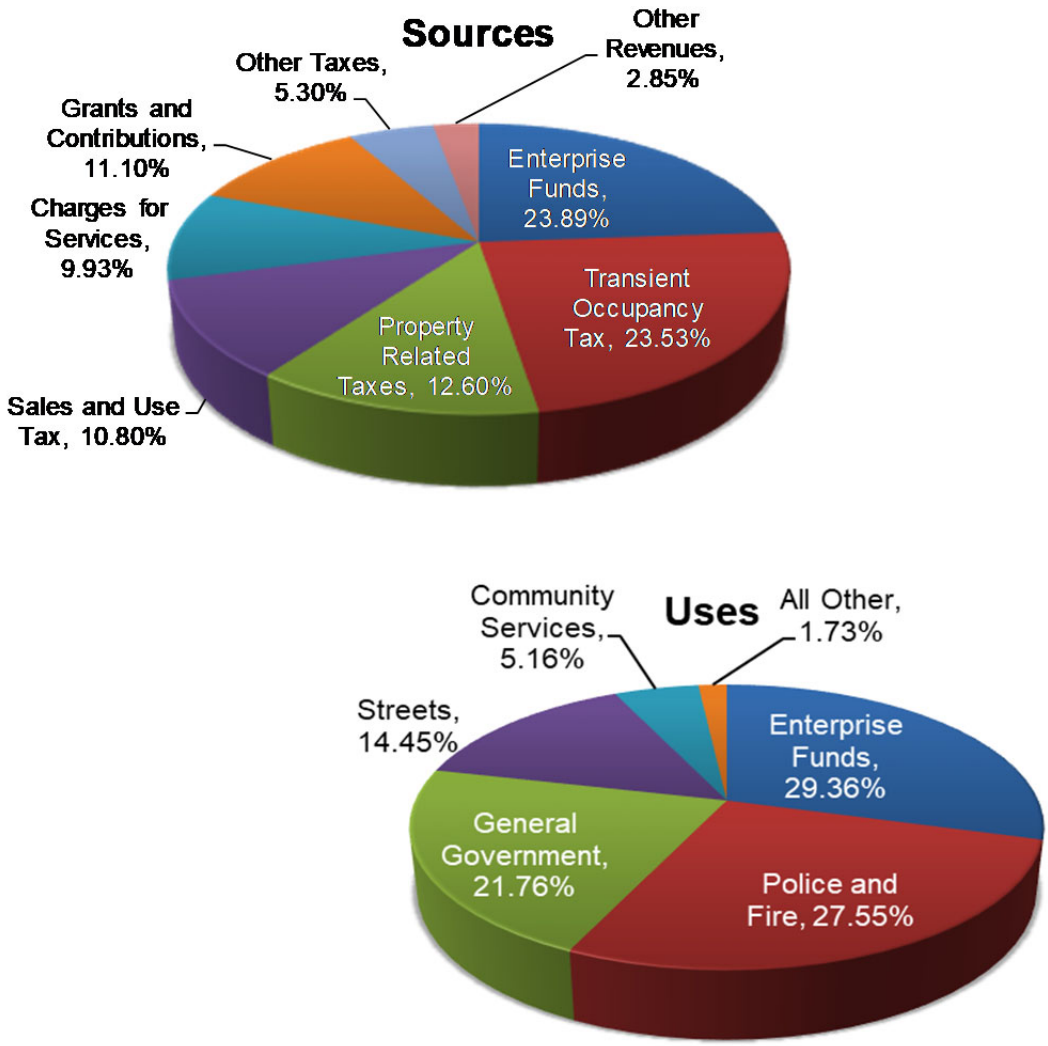
Expenses: The total cost of all programs and services in fiscal year 2019 was about $33.94 million and included a wide range of services such as police and fire protection, streets, public works, general administration, community services, water, wastewater, parking, pier, and the transit operations.

Table A-2
Changes in the City of Pismo Beach's Net Position

(in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018-2019
Revenues							
Program revenues							
Charges for services	$4.43	$3.59	$10.66	$10.69	$15.09	$14.29	5.64%
Operating grants and contributions	2.01	0.44	-	-	2.01	0.44	360.38%
Capital grants and contributions	2.51	4.08	0.43	-	2.94	4.08	-27.92%
General revenues							
Transient occupancy taxes	10.50	10.04	-	-	10.50	10.04	4.58%
Property, sales and other taxes	11.43	11.00	1.36	1.32	12.79	12.32	3.82%
Other	1.11	0.34	0.16	0.26	1.27	0.60	110.61%
Total revenues	**$31.99**	**$29.49**	**$12.61**	**$12.27**	**$44.60**	**$41.76**	**6.79%**
Expenses							
General government	7.39	8.68	-	-	7.39	8.68	-14.88%
Public safety	9.35	7.80	-	-	9.35	7.80	19.90%
Streets	0.77	0.76	-	-	0.77	0.76	1.49%
Public works	4.14	3.54	-	-	4.14	3.54	17.02%
Community services	1.75	2.18	-	-	1.75	2.18	-19.87%
Water	-	-	5.61	5.63	5.61	5.63	-0.30%
Wastewater	-	-	3.49	2.99	3.49	2.99	16.80%
Other	0.58	0.57	0.86	0.63	1.44	1.19	20.91%
Total expenses	**$23.98**	**$23.53**	**$9.96**	**$9.24**	**$33.94**	**$32.77**	**3.58%**
Excess (deficiency) before transfers/other	8.01	5.96	2.65	3.03	10.66	9.00	18.49%
Transfers	(2.90)	(0.60)	2.90	0.60	-	-	0.00%
Prior year restatement	-	(2.44)	-	(0.19)	-	(2.63)	100.00%
Increase (decrease) in net position	**$5.11**	**$2.92**	**$5.55**	**$3.45**	**$10.66**	**$6.37**	**67.44%**
Net position, beginning of year	**$64.49**	**$61.57**	**$50.28**	**$46.84**	**$114.77**	**$108.40**	
Net position, end of year	**$69.60**	**$64.49**	**$55.83**	**$50.28**	**$125.43**	**$114.77**	**9.29%**

The sources of the City's major types of revenue and the areas where such resources are used is shown below in summary graphic form (governmental and business type activities):

Figure A-2
City's Major Revenue Sources and Uses



Governmental Activities

Revenues from all governmental activities in the 2019 fiscal year increased by about $2.50 million compared to the 2018 fiscal year. The primary increase was from operating grants and contributions of $1.57 million. Charges for services increased by $0.84 million. Property, sales, and other taxes increased by $0.43 million from fiscal year 2018. Transient occupancy taxes increased by $0.46 million from the previous year. Other revenues increased by $0.77 million. These increases were offset by decreases in capital grants and contributions by $1.57 million.

The City's primary source of revenue comes from some kind of tax. About 72.0 percent of all City revenues in Governmental Activities come from taxes such as property, sales, transient occupancy, and other taxes.

Because the City of Pismo Beach is a tourist community, about 32.8 percent of all governmental activities revenues come from transient occupancy tax revenues (the local hotel tax). Local hotel tax revenues came in higher than fiscal year 2018 by 4.58 percent or $0.46 million. Sales tax revenues, including the Half-Cent Transactions Sales and Use Tax revenues, came in 2.70 percent higher than fiscal year 2018. Sales and use tax revenues excluding the Half-Cent Sales Tax revenues, came in $100,387 higher than fiscal year 2018. Half-Cent Sales Tax revenues came in 1.67 percent higher by $26,247 compared to fiscal year 2018.

The majority of the City's governmental-activities operating expenses are incurred to provide police protection and fire protection services with these two departments accounting for about 39.0 percent of the City's total fiscal year 2019 governmental operating expenses. Public works costs including maintenance of buildings, parks, and other City facilities account for about 17.3 percent of the City's total fiscal year 2019 governmental operating expenses. Another 7.3 percent of the City's fiscal year 2019 governmental activities operating expenses were incurred to provide community services in Pismo Beach. The remaining 36.4 percent was spent on streets, general administration, and other expenses.

When all operations were concluded, the governmental activities function generated a $5.11 million increase in net position for fiscal year 2019 compared to a $2.92 million increase in fiscal year 2018.

Table A-3 represents the cost of each of the City's governmental activities largest programs – administration or general government, public safety, public works, and community services.

Table A-3
Cost of City of Pismo Beach's Programs

(in millions of dollars)	Total Cost of Services		Percentage Change
	2019	2018	2018-2019
General Government	$7.39	$8.68	-14.86%
Public Safety	9.35	7.80	19.87%
Community Services	1.75	2.18	-19.72%
Streets	0.77	0.76	1.32%
Public Works	4.14	3.54	16.95%
All Other	0.58	0.57	1.75%
Total	**$23.98**	**$23.53**	**1.91%**

The cost of *all programs* this year was $23.98 million, compared to $23.53 million in fiscal year 2018.

While users and contributors funded about $8.95 million of the costs of the City's governmental activity programs through related program revenues, the City still had to make up the short fall from general revenues such as taxes and this short fall was about $15.03 million. Major sources of program revenues were:

- Other governments and organizations that subsidized certain programs with grants and contributions (about $4.52 million), or
- Those who directly benefited from or used the programs ($4.43 million).

The City paid for the $15.03 million "public benefit" portion out of the $23.04 million in general revenues such as property taxes, transient occupancy taxes, sales taxes, and with other tax revenues and investment earnings.

Overall, fiscal year 2019 total cost of services is showing an increase of 1.9 percent compared to fiscal year 2018. Expenses increased in Public Safety, Public Works, Streets, Community Services, and All Other categories. Expenses decreased in the Community Services and General Government categories.

Business-Type Activities

The City's business-type activities (primarily water, wastewater, parking, and pier) were responsible for about $5.55 million increase in net position for fiscal year ending 2019. Revenues in total increased in the fiscal year 2019 by $0.34 million. Revenues for basic water services charges decreased by 8.40 percent or $331,249 in fiscal year 2019. Revenues for basic sewer services charges decreased by 1.80 percent or $88,413 in fiscal year 2019. Parking kiosk and meter revenues increased by 56 percent or $320,011 in fiscal year 2019.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a *combined* fund balance of $32.6 million, about $1.26 million lower than the last fiscal year. Revenues increased by $4.69 million, most of which were in the subventions and grants category by $1.68 million, other revenue of $568,917, transient occupancy tax of $458,239, and special assessments of $413,159. Expenditures increased by $3.80 million from the previous year, most of which were in Capital Outlay of $4.98 million, Community Services of $558,673, and $474,189 in Public Safety with decreases in the other areas.

The City's General Fund operations generated about $5.96 million more in revenues than was spent on governmental activities. From this excess, the City transferred a total of $4.48 million out of the General Fund and into other funds. From the $4.48 million in transfers, $403,627 was transferred to the Public Financing Agency Fund (PFA) for debt service, about $3.67 million was transferred out to capital projects, $411,110 was transferred to the Motor Vehicle Replacement internal service fund and Information Technology internal service fund, and the remaining transfers went to the Pier Operations Fund. At year end, the City's General Fund had a fund balance of about $24.37 million, an increase of $1.92 million from the prior year of $22.45 million. Of the $24.37 million, about $5.52 million was designated for unanticipated emergencies and $8.06 million is designated for capital projects. The increase in fund balance was the result of higher revenues in Transient Occupancy Taxes of $458,239 and Investment Earnings of $433,373.

In addition, the City's non-major governmental funds ended the 2019 fiscal year with a combined fund balance of $8.27 million. Of this $8.27 million, $3.54 million can be used for affordable housing, $1.19 million in Special Revenue Funds, $424,496 in Debt Service, and the remaining $3.10 million is set aside for impact fee and capital projects. The Debt Service Funds consist of Pismo Beach Public Financing Agency and Authority and Completed Assessment District Funds. The Special Revenue Funds consist of the State Gas Tax Fund, the Local Transportation Street Fund, the Lodging Business Improvement District Fund, the PEG Fund (Public Education Government Access), the Noncapital Grant Fund, and the Chapman Estate Fund. The Capital Project Fund types consist primarily of the Capital Projects Fund, where the City tracks all revenues and expenditures for Governmental Fund capital projects, the Park Development Fund, the Public Facilities Fund, the Circulation Improvement Fund, the Impact Fees Fund, Developer Impact Fees Fund, and Underground Utility Fund.

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City budget several times. These budget amendments fall into three categories: changes made during the year for unanticipated revenues and costs; increases in appropriations to prevent budget overruns; and carry over budgets for capital projects. Even with these adjustments, actual General Fund expenditures were $10.31 million less than final budget amounts. Budget amendments that occurred in revenues during the year include an increase of $1.56 million in General Fund revenues of various categories. Budgeted amendments that occurred in expenditures during the year include an increase of $12.73 million, which are mainly for capital projects.

General Fund revenues that came in higher than original estimates include transient occupancy taxes by $225,280, Sales Taxes by $163,280, Miscellaneous Revenues by $141,231, Interest Earnings by $96,513, Other Taxes by $68,875, and Property Taxes by $47,674.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2019, the City had invested $100.67 million in a broad range of capital assets, including land, vehicles, equipment, the City Pier, water and wastewater system, streets, and other capital assets. (See Table A-4.) This amount represents a net change (including additions and deductions) of about $12.36 million, or a 14 percent increase from the previous year.

Table A-4

Pismo Beach's Capital Assets

(net of depreciation, in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2019	2018	2019	2018	2019	2018	2018-2019
Land and right of ways	$12.42	$12.42	$0.38	$0.38	$12.80	$12.80	0.00%
Construction in progress	8.05	2.49	10.17	11.01	18.22	13.50	35.00%
Buildings	5.53	5.53	0.33	0.33	5.86	5.86	0.00%
Capacity Rights	-	-	-	-	-	-	0.00%
Machinery and equipment	3.03	2.94	3.06	2.87	6.09	5.80	4.93%
Vehicles	5.85	5.60	-	-	5.85	5.60	4.54%
Improvements	10.43	10.32	-	-	10.43	10.32	1.08%
Tanks, wells, and system	-	-	10.28	12.04	10.28	12.04	-14.63%
Pipelines/collection system	-	-	32.82	32.59	32.82	32.59	0.71%
Pier	-	-	10.59	2.14	10.59	2.14	394.86%
Infrastructure-streets	57.82	55.13	-	-	57.82	55.13	4.89%
Accumulated depreciation	(48.38)	(45.73)	(21.71)	(21.74)	(70.09)	(67.47)	3.89%
Total	**$54.75**	**$48.69**	**$45.92**	**$39.61**	**$100.67**	**$88.30**	**14.00%**

This year's major capital asset changes included:

- *Completed construction on the Pier Rehabilitation Project spending $8.45 million*
- *Started construction on the Shell Beach Streetscape Project spending $4.87 million in FY 2019*
- *Completed construction on the Energy Efficient and Solar Project spending $3.5 million*
- *Started construction on the Five Cities Lift Station and Lift Station Maintenance Projects spending $2.13 million in FY 2019*
- *Completed construction on the Downtown Pavers Project spending $1.19 million*

Additional information on capital assets of the City can be found in Note 5 to the financial statements.

Long - Term Debt

The City of Pismo Beach's Public Financing Agency issued Series 2017B New Clean Renewable Energy Bonds (CREBs) in the amount of $4.06 million in fiscal year 2018 for the Solar and Energy Storage Project. These bonds were privately placed taxable bonds, where the debt service payments are offset by an Internal Revenue Service Subsidy, resulting in a net effective rate of 1.73% for the CREBs.

At the end of fiscal 2019, the City has $7.41 million in lease revenue bonds that were issued in 2017 by the Public Financing Agency for the General Fund supported Pier rehabilitation project. The obligation bears interest at rates of 2 to 5 percent and is payable in semi-annual installments each June and December through 2047. The 2017A revenue bonds are being retired from the General Fund.

At the end of fiscal 2019, the City had $4.54 million in lease revenue bonds that were issued in 2012 by the Public Financing Authority to advance refund the 2004 revenue bonds, Series A. The obligation bears interest at rates of 2 to 5 percent and is payable in semi-annual installments each June and December through 2033. The 2012 revenue bonds are being retired from Wastewater Enterprise revenues.

At the end of fiscal 2019, the State Revolving Loans had outstanding balances of $5.94 million, which included $3.97 million for the Wastewater Treatment Loan, $82,338 for the Park/Cypress Interceptor Loan, $380,340 for the Pismo Oaks Lift Station Loan, and $1.51 million for the Five Cities Lift Station Loan, which is the total debt to date. The outstanding debt for the State Revolving Loans was reduced by $575,374 during the fiscal year. The loans are being retired from Wastewater Fund revenues. Additional information on the City's long-term debt can be found in Note 6 to the financial statements.

Under previous arrangements, the City was self-insured for the first $300,000 for each worker's compensation claim and $50,000 for each general liability claim, the statement of net position also shows a liability of about $61,773 for estimated claim obligations. The City's General Fund pays all insurance related costs.

Deferred Outflows/Inflows of Resources

A deferred outflow of resources is defined as "a consumption of net position by the government that is applicable to a future reporting period," and a deferred inflow of resources is defined as "an acquisition of net position by the government that is applicable to a future reporting period." It amends the financial statement element classifications of certain items previously reported as assets or liabilities, and reclassifies them as deferred outflows and/or inflows of resources.

The City's Deferred Outflows of resources in the Governmental Activities and Business-Type Activities totaled $6.41 million in fiscal year 2019, with $5.65 million being pension related, $565,740 OPEB related, and $192,839 as unamortized loss on refunding.

The City's Deferred Inflows of resources in the Governmental Activities and Business-Type Activities totaled $1.69 million, with $1.63 million pension related, and $65,114 OPEB related.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the 2020 fiscal year, the following list of items will affect the General Fund:

- Future planning for Cal PERS Retirement as CalPERS continues its efforts to raise its net funded position by implementing various measures including lowering the discount rate and amortizing future net gains and losses over 25 years instead of 30 years. Staff plan to propose that the City Council make an additional prepayment towards the City's unfunded pension liability to decrease interest costs over the next 30 years.

- The City Council approved several large capital projects that will draw down the General Fund unrestricted fund balance in FY 2020. These projects include $800,000 towards the Public Safety Facility project, $230,000 for Chapman Estate improvements, security, and inventory projects, $150,000 for the Local Coastal Plan update, $123,585 for the Energy Efficient project, and completing the two large capital projects: Shell Beach Streetscape project and the Pier Plaza/Pier Plaza Parking lot upgrade project.

- Update the City's Service Fees based on various indices and update the cost allocation across funds based on a comprehensive fee study and Council approval.

- Maintain the General Fund Reserve at 25% of operating budget expenditures.

- Maintain the Risk Management Reserve at $250,000 from the General Fund.

- Maintain $500,000 of reserves for a Facility Reserve from the General Fund.

- Complete the 2019-20 GASB 75 Updated Actuarial Report of OPEB (Other Post-Employment Benefits)

- The City will continue to fund the CalPERS Retiree Benefit Trust and is estimated to contribute $326,000.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administrative Services Department, City of Pismo Beach, 760 Mattie Road, Pismo Beach, California, 93449, 805-773-4655.

BASIC FINANCIAL STATEMENTS

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City of Pismo Beach, California
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 36,455,222	$ 19,591,246	$ 56,046,468
Restricted Cash and Investments	384,989		384,989
Taxes Receivable	1,923,841		1,923,841
Accounts Receivable, Net	297,067	2,161,673	2,458,740
Due from Other Governments	208,784		208,784
Accrued Interest Receivable	75,228	85,973	161,201
Prepayments	1,161,852	1,760,956	2,922,808
Total Current Assets	40,506,983	23,599,848	64,106,831
Noncurrent Assets:			
Deposits	115,126		115,126
Note and Interest Receivable	1,377,208		1,377,208
Capital Assets, Not Being Depreciated	20,468,838	10,550,401	31,019,239
Capital Assets, Being Depreciated, Net	34,285,460	35,372,598	69,658,058
Total Noncurrent Assets	56,246,632	45,922,999	102,169,631
Total Assets	96,753,615	69,522,847	166,276,462
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding		192,839	192,839
Pension Related	4,939,771	707,035	5,646,806
OPEB Related	406,880	158,860	565,740
Total Deferred Outflows of Resources	$ 5,346,651	$ 1,058,734	$ 6,405,385

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Net Position - Continued
June 30, 2019

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 2,833,351	$ 972,464	$ 3,805,815
Accrued Liabilities	784,649	30,621	815,270
Current Portion of Compensated Absences	124,773	14,762	139,535
Deposits	640,209	152,243	792,452
Accrued Interest Payable		41,474	41,474
Current Portion of Bonds and Loans	272,307	820,759	1,093,066
Total Current Liabilities	4,655,289	2,032,323	6,687,612
Noncurrent Liabilities:			
Compensated Absences, Net of Current Portion	374,319	44,286	418,605
Bonds and Loans, Net of Current Portion	11,125,991	9,729,361	20,855,352
Net Pension Liability	13,670,402	2,217,108	15,887,510
Net OPEB Liability	1,226,423	478,837	1,705,260
Total Noncurrent Liabilities	26,397,135	12,469,592	38,866,727
Total Liabilities	31,052,424	14,501,915	45,554,339
DEFERRED INFLOWS OF RESOURCES			
Pension Related	1,401,030	226,916	1,627,946
OPEB Related	46,830	18,284	65,114
Total Deferred Inflows of Resources	1,447,860	245,200	1,693,060
NET POSITION			
Net Investment in Capital Assets	43,356,000	35,565,718	78,921,718
Restricted for:			
Debt Service	496,569		496,569
Capital Projects	754,436	3,485,309	4,239,745
Affordable Housing	3,544,853		3,544,853
Community Development	432,105		432,105
Public Safety	186,015		186,015
Streets	566,088		566,088
Unrestricted	20,263,916	16,783,439	37,047,355
Total Net Position	$ 69,599,982	$ 55,834,466	$ 125,434,448

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Activities
Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 7,386,249	$ 2,537,482	$ 200,627	$
Public Safety:				
Police Protection	6,886,401	222,270	161,165	
Fire Protection	2,464,794	97,210		
Streets	766,752	57,936	1,633,672	2,043,114
Community Services	1,750,512	446,437	9,970	
Public Works	4,139,918	1,008,830		471,829
Redevelopment and Housing	148,525	60,724		
Interest on Long-term Debt	437,597			
Total Governmental Activities	23,980,748	4,430,889	2,005,434	2,514,943
Business-type Activities:				
Water	5,612,129	4,382,106		70,311
Wastewater	3,490,726	5,121,062		362,500
Transit	2,460			
Pier	178,397	12,938		
Parking	682,449	1,142,142		
Total Business-type Activities	9,966,161	10,658,248	-	432,811
Total Primary Government	$ 33,946,909	$ 15,089,137	$ 2,005,434	$ 2,947,754
General Revenues:				
Property Taxes				
Sales Taxes				
Special Water Taxes				
Transient Occupancy Taxes				
Other Taxes				
Franchise Taxes				
Unrestricted Investment Earnings				
Gain (Loss) on Sale of Asset				
Other Revenue				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - End of Year				

The accompanying notes are an integral part of this statement.

Net Revenues (Expense) and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (4,648,140)	$	(4,648,140)
(6,502,966)		(6,502,966)
(2,367,584)		(2,367,584)
2,967,970		2,967,970
(1,294,105)		(1,294,105)
(2,659,259)		(2,659,259)
(87,801)		(87,801)
(437,597)		(437,597)
(15,029,482)	-	(15,029,482)
	(1,159,712)	(1,159,712)
	1,992,836	1,992,836
	(2,460)	(2,460)
	(165,459)	(165,459)
	459,693	459,693
-	1,124,898	1,124,898
$ (15,029,482)	$ 1,124,898	$ (13,904,584)
$ 5,619,427	$	$ 5,619,427
4,815,640		4,815,640
	1,362,579	1,362,579
10,498,160		10,498,160
371,122		371,122
629,595		629,595
994,991	815,787	1,810,778
2,500	(652,789)	(650,289)
110,548		110,548
(2,902,363)	2,902,363	-
20,139,620	4,427,940	24,567,560
5,110,138	5,552,838	10,662,976
64,489,844	50,281,628	114,771,472
$ 69,599,982	$ 55,834,466	$ 125,434,448

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Special Revenue Housing In-Lieu	Capital Projects
ASSETS			
Cash and Investments	$ 23,990,478	$ 3,539,228	$ 1,604,397
Cash and Investments with Fiscal Agent			
Taxes Receivable	1,692,624		
Accounts Receivable	200,429		
Due from Other Governments			181,839
Accrued Interest Receivable	45,569	5,625	
Prepayments	1,155,945		
Note and Accrued Interest Receivable		1,377,208	
Total Assets	$ 27,085,045	$ 4,922,061	$ 1,786,236
LIABILITIES			
Accounts Payable	$ 1,468,125	$	$ 918,896
Accrued Liabilities	709,432		
Deposits	540,786		
Total Liabilities	2,718,343	-	918,896
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Note Receivable	-	1,377,208	-
Total Deferred Inflows of Resources	-	1,377,208	-
FUND BALANCES			
Nonspendable	1,155,945		
Restricted for:			
Capital Project Funding			
Streets and Highways			
Community Development			
Affordable Housing		3,544,853	
Community Business Promotion			
Park Development			
Public Safety			
Debt Service			
Committed for:			
City Facility Reserve	500,000		
General Fund Reserve	5,518,372		
Capital Projects	8,064,462		
Affordable Housing			
Risk Management Reserve	250,000		
Assigned	1,114,527		
Capital Projects			867,340
Unassigned	7,763,396		
Total Fund Balances	24,366,702	3,544,853	867,340
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 27,085,045	$ 4,922,061	$ 1,786,236

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
$ 3,707,206	$ 32,841,309
384,989	384,989
231,217	1,923,841
9,288	209,717
26,945	208,784
21,071	72,265
	1,155,945
	1,377,208
$ 4,380,716	$ 38,174,058
$ 417,986	$ 2,805,007
838	710,270
99,423	640,209
518,247	4,155,486
	1,377,208
-	1,377,208
	1,155,945
459,326	459,326
566,088	566,088
167,364	167,364
	3,544,853
264,741	264,741
295,110	295,110
186,015	186,015
496,569	496,569
	500,000
	5,518,372
1,059,306	9,123,768
	-
	250,000
	1,114,527
367,950	1,235,290
	7,763,396
3,862,469	32,641,364
$ 4,380,716	$ 38,174,058

The accompanying notes are an integral part of this statement.

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City of Pismo Beach, California
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2019

Fund Balances of Governmental Funds		$ 32,641,364
Amounts reported for Governmental Activities in the Statement of Net Position are different because:		
Capital assets are not current financial resources, and therefore, are not reported in the governmental funds. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation. Net capital assets relating to governmental activities consisted of:		
	Capital Assets	97,105,495
	Accumulated Depreciation	(44,822,708)
Deposits with insurance pools used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds. In the statement of net position, these deposits are reported as noncurrent assets.		115,126
Deferred outflows of resources in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Deferred outflows related to pensions and other postemployment benefits (OPEB) consisted of:		5,346,651
Long-term receivables used in governmental activities are not current financial resources and, therefore, are reported as deferred inflows of resources in the governmental funds. In the statement of net position, long-term receivables are reported as noncurrent assets.		1,377,208
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consisted of:		
	Lease Revenue Bonds	(11,398,298)
	Compensated Absences	(491,473)
	Claims Liability	(69,127)
Net pension liability is not due and payable in the current period and, therefore, is not reported in the governmental funds. In the statement of net position, net pension liability is reported as a noncurrent liability.		(13,670,402)
Net OPEB liability is not due and payable in the current period and, therefore, is not reported in the governmental funds. In the statement of net position, net OPEB liability is reported as a noncurrent liability		(1,226,423)
Deferred inflows of resources in governmental activities are not financial resources and, therefore, are not reported in governmental funds. Deferred inflows related to pensions and other postemployment benefits (OPEB) consisted of:		(1,447,860)
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because the internal service fund is presumed to benefit governmental activities, assets and liabilities of the internal service fund are reported with governmental activities in the statement of net position.		6,140,429
Net Position of Governmental Activities		$ 69,599,982

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2019

	General Fund	Special Revenue Housing In-Lieu	Capital Projects
REVENUES			
Property Taxes	$ 5,619,424	$	$
Sales Taxes	4,815,640		
Transient Occupancy Taxes	10,498,160		
Other Taxes	963,354		
Licenses and Permits	1,042,359		
Fines and Forfeits	68,545		
Subventions and Grants	111,321		1,673,220
Investment Earnings	655,411	86,153	
Rental Income	188,518		
Charges for Services	316,512	60,724	
Special Assessments			
Miscellaneous	1,162,168		469,329
Total Revenues	25,441,412	146,877	2,142,549
EXPENDITURES			
Current:			
General Government	5,839,501		
Public Safety	9,038,039		
Highways and Streets	703,736		59,458
Community Services	1,485,259		
Public Works	2,368,813		
Housing		14,412	
Capital Outlay	44,472		5,851,087
Debt Service:			
Principal			
Interest and Fiscal Charges			
Total Expenditures	19,479,820	14,412	5,910,545
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,961,592	132,465	(3,767,996)
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Assets	2,500		
Transfers In	429,462		4,523,015
Transfers Out	(4,477,679)		(64,086)
Total Other Financing Sources (Uses)	(4,045,717)	-	4,458,929
Net Change in Fund Balances	1,915,875	132,465	690,933
Fund Balance, Beginning of Year	22,450,827	3,412,388	176,407
Fund Balance, End of Year	$ 24,366,702	$ 3,544,853	$ 867,340

The accompanying notes are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
$	$ 5,619,424
	4,815,640
	10,498,160
	963,354
	1,042,359
	68,545
685,384	2,469,925
220,820	962,384
	188,518
260,823	638,059
1,515,633	1,515,633
39,586	1,671,083
2,722,246	30,453,084
1,072,533	6,912,034
	9,038,039
1,871	765,065
25,569	1,510,828
	2,368,813
31,535	45,947
1,101,464	6,997,023
257,074	257,074
443,751	443,751
2,933,797	28,338,574
(211,551)	2,114,510
	2,500
706,891	5,659,368
(4,498,515)	(9,040,280)
(3,791,624)	(3,378,412)
(4,003,175)	(1,263,902)
7,865,644	33,905,266
$ 3,862,469	$ 32,641,364

The accompanying notes are an integral part of this statement.

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City of Pismo Beach, California
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds	$	(1,263,902)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Changes in long-term receivables do not provide current financial resources and are not reported in the governmental funds.		32,604
Changes in deposits with insurance pools do not provide current financial resources and are not reported in the governmental funds.		(3,747)
Costs of capital assets are reported as expenditures in the governmental funds in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the year was:		
Capitalized Expenditures for Capital Outlay - Governmental Funds		6,894,445
Depreciation Expense		(2,352,899)
Contributions of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not current financial resources.		1,505,061
Repayments of long-term debt is recognized as an expenditure in the governmental funds. In the government-wide statements, repayments of long-term liabilities are reported reductions of liabilities.		263,228
Compensated absences are measured by the amounts paid during the period in the governmental funds. In the statement of activities, compensated absences are measured by the amounts earned.		47,288
Changes in actuarially determined claim liabilities for uninsured claims do not provide current financial resources and are not reported in the governmental funds.		(65,450)
Pension and OPEB expense recorded as an expenditure in governmental funds. In the Statement of Activities, pension expense includes the change in the Net Pension Liability and Net OPEB Liability and related change in pension and OPEB amounts of deferred outflows and deferred inflows of resources.		(172,122)
The net expense of activities of internal service funds is reported within governmental activities.		225,632
Change in Net Position of Governmental Activities	$	5,110,138

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 9,063,720	$ 7,782,860	$ 2,815	$ 2,741,851
Accounts Receivable	702,143	1,411,834		47,696
Accrued Interest Receivable	36,913	39,942		9,118
Prepayments	1,698,795	62,161		
Total Current Assets	11,501,571	9,296,797	2,815	2,798,665
Noncurrent Assets:				
Land	129,591	214,759	33,425	
Construction in Progress	1,127,365	8,915,861	129,400	
Improvements and Buildings	8,072,976			
Vehicles				
Distribution and Collection Systems	9,272,782	30,345,195		
Equipment				721,854
Pier			8,666,880	
Total Capital Assets	18,602,714	39,475,815	8,829,705	721,854
Less Accumulated Depreciation	(8,559,478)	(12,851,069)	(239,638)	(56,904)
Capital Assets, Net of Accumulated Depreciation	10,043,236	26,624,746	8,590,067	664,950
Total Noncurrent Assets	10,043,236	26,624,746	8,590,067	664,950
Total Assets	21,544,807	35,921,543	8,592,882	3,463,615
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Refunding		192,839		
Pension Related	189,097	430,314		87,624
OPEB Related	42,487	96,685		19,688
Total Deferred Outflows of Resources	$ 231,584	$ 719,838	$ -	$ 107,312

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities Internal Service Funds
$ 19,591,246	$ 3,613,913
2,161,673	87,350
85,973	2,963
1,760,956	5,907
23,599,848	3,710,133
377,775	
10,172,626	
8,072,976	
-	5,465,365
39,617,977	
721,854	567,439
8,666,880	
67,630,088	6,032,804
(21,707,089)	(3,561,293)
45,922,999	2,471,511
45,922,999	2,471,511
69,522,847	6,181,644
192,839	
707,035	
158,860	
$ 1,058,734	$ -

Continued

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Net Position - Continued
Proprietary Funds
June 30, 2019

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 415,089	$ 544,479	$ 1,895	$ 11,001
Accrued Liabilities	12,771	13,849		4,001
Deposits	152,243			
Current Portion of Compensated Absences	5,171	7,344		2,247
Accrued Interest Payable		41,474		
Current Portion of Bonds and Loans		820,759		
Total Current Liabilities	585,274	1,427,905	1,895	17,249
Noncurrent Liabilities:				
Compensated Absences, Net of Current Portion	15,512	22,033		6,741
Loans, Net of Current Portion		5,360,736		
Bonds, Net of Current Portion		4,368,625		
Net Pension Liability	592,966	1,349,373		274,769
Net OPEB Liability	128,065	291,429		59,343
Total Noncurrent Liabilities	736,543	11,392,196	-	340,853
Total Liabilities	1,321,817	12,820,101	1,895	358,102
DEFERRED INFLOWS OF RESOURCES				
Pension Related	60,689	138,105		28,122
OPEB Related	4,890	11,128		2,266
Total Deferred Inflows of Resources	65,579	149,233	-	30,388
NET POSITION				
Net Investment in Capital Assets	10,043,236	16,267,465	8,590,067	664,950
Restricted for Capital Improvements	1,846,022	1,639,287		
Unrestricted	8,499,737	5,765,295	920	2,517,487
Total Net Position	$ 20,388,995	$ 23,672,047	$ 8,590,987	$ 3,182,437

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Funds
$ 972,464	$ 28,344
30,621	5,252
152,243	
14,762	1,904
41,474	
820,759	
2,032,323	35,500
44,286	5,715
5,360,736	
4,368,625	
2,217,108	
478,837	
12,469,592	5,715
14,501,915	41,215
226,916	
18,284	
245,200	-
35,565,718	2,471,511
3,485,309	
16,783,439	3,668,918
$ 55,834,466	$ 6,140,429

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2019

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
OPERATING REVENUES				
Sales of Water	$ 3,607,025	$	$	$
Service Fees	709,089	4,929,387	10,920	1,141,111
Miscellaneous	65,992	191,675	2,018	1,031
Total Operating Revenues	4,382,106	5,121,062	12,938	1,142,142
OPERATING EXPENSES				
Salaries and Benefits	738,784	1,150,975		364,967
Purchased Power	120,731	246,797	26,544	
Services and Supplies	1,263,962	1,146,495	22,260	270,363
Customer Accounting	60,808	47,049		
Joint Operating Expenses	3,012,943			
Depreciation and Amortization	414,901	637,890	129,593	49,579
Total Operating Expenses	5,612,129	3,229,206	178,397	684,909
Operating Income (Loss)	(1,230,023)	1,891,856	(165,459)	457,233
NONOPERATING REVENUES (EXPENSES)				
Property and Special Taxes	1,362,579			
Grant Revenues	70,311	362,500		
Gain (Loss) on Disposal of Capital Assets			(652,789)	
Investment Earnings	420,415	293,925	6,636	94,811
Interest Expense		(261,520)		
Total Nonoperating Revenues (Expenses)	1,853,305	394,905	(646,153)	94,811
Income (Loss) Before Transfers	623,282	2,286,761	(811,612)	552,044
TRANSFERS				
Transfers In	2,230,790	2,798,663	726,277	
Transfers Out	(2,297,921)	(554,917)	(529)	
Total Transfers	(67,131)	2,243,746	725,748	-
Change in Net Position	556,151	4,530,507	(85,864)	552,044
Total Net Position - Beginning of Year	19,832,844	19,141,540	8,676,851	2,630,393
Total Net Position - End of Year	$ 20,388,995	$ 23,672,047	$ 8,590,987	$ 3,182,437

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Funds
$ 3,607,025	$
6,790,507	1,164,821
260,716	57
10,658,248	1,164,878
2,254,726	276,281
394,072	
2,703,080	987,665
107,857	
3,012,943	
1,231,963	433,930
9,704,641	1,697,876
953,607	(532,998)
1,362,579	
432,811	87,350
(652,789)	13,931
815,787	178,800
(261,520)	
1,696,868	280,081
2,650,475	(252,917)
5,755,730	605,259
(2,853,367)	(126,710)
2,902,363	478,549
5,552,838	225,632
50,281,628	5,914,797
$ 55,834,466	$ 6,140,429

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2019

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 4,530,013	$ 4,532,612	$ 12,938	$ 1,144,993
Receipts from Other Funds for Services				
Payments to Suppliers for Goods and Services	(4,755,154)	(1,579,346)	(376,113)	(394,649)
Payments to Employees for Wages and Benefits	(646,866)	(925,848)		(252,025)
Net Cash Provided by (Used for) Operating Activities	(872,007)	2,027,418	(363,175)	498,319
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property and Special Taxes	1,362,579			
Transfers from Other Funds	2,230,790	2,798,663	726,277	
Transfers to Other Funds	(2,297,921)	(554,917)	(529)	
Net Cash Provided by (Used for) Noncapital Financing Activities	1,295,448	2,243,746	725,748	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments on Long-Term Debt Principal		(801,858)		
Interest Paid on Long-Term Debt		(265,818)		
Proceeds from Long-term Debt		1,510,664		
Capital Grants	70,311	362,500		
Purchase of Capital Assets	(1,341,880)	(5,077,572)	(1,729,330)	(42,575)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(1,271,569)	(4,272,084)	(1,729,330)	(42,575)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	410,737	283,596	6,636	91,067
Net Cash Provided by (Used for) Investing Activities	410,737	283,596	6,636	91,067
Net Increase (Decrease) in Cash and Cash Equivalents	(437,391)	282,676	(1,360,121)	546,811
Cash and Cash Equivalents - Beginning of the Year	9,501,111	7,500,184	1,362,936	2,195,040
Cash and Cash Equivalents - End of the Year	$ 9,063,720	$ 7,782,860	$ 2,815	$ 2,741,851

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Fund
$ 10,220,556	$
	1,077,528
(7,105,262)	(1,125,573)
(1,824,739)	(275,616)
1,290,555	(323,661)
1,362,579	
5,755,730	478,549
(2,853,367)	
4,264,942	478,549
(801,858)	
(265,818)	
1,510,664	
432,811	
(8,191,357)	(344,636)
(7,315,558)	(344,636)
792,036	180,135
792,036	180,135
(968,025)	(9,613)
20,559,271	3,623,526
$ 19,591,246	$ 3,613,913

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Cash Flows - Continued
Proprietary Funds
Year Ended June 30, 2019

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	$ (1,230,023)	$ 1,891,856	$ (165,459)	$ 457,233
Depreciation and Amortization	414,901	637,890	129,593	49,579
Accounts Receivable	(4,336)	(588,450)		2,851
Prepayments	(533,597)	(62,161)		
Deferred Outflow of Resources - Pensions	108,520	235,244		1,350
Deferred Outflow of Resources - OPEB	(30,294)	(69,411)		(16,051)
Accounts Payable	236,887	(76,844)	(327,309)	(124,286)
Accrued Liabilities	375	(878)		(7,599)
Deposits	152,243			
Compensated Absences	(821)	(2,364)		1,643
Net Pension Liability	(120,856)	(246,942)		61,369
Net OPEB Liability	83,161	190,986		45,951
Deferred Inflow of Resources - Pensions	48,327	110,460		24,426
Deferred Inflow of Resources - OPEB	3,506	8,032		1,853
TOTAL CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ (872,007)	$ 2,027,418	$ (363,175)	$ 498,319

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Fund
$ 953,607	$ (532,998)
1,231,963	433,930
(589,935)	(87,350)
(595,758)	(5,907)
345,114	
(115,756)	
(291,552)	(132,001)
(8,102)	449
152,243	
(1,542)	216
(306,429)	
320,098	
183,213	
13,391	
$ 1,290,555	$ (323,661)

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Trust Fund	Agency Fund
	Retired Employees Health Care Plan	San Luis Obispo County Tourism Fund
ASSETS		
Cash and Cash Equivalents	$	$ 86,025
Accounts Receivable		115,709
Investment at Fair Value:		
California Employer's Retiree Benefit Trust Program		
Pooled Investments	3,286,021	
Total Assets	$ 3,286,021	$ 201,734
LIABILITIES		
Due to Other Governmental Agencies	$	$ 201,734
Total Liabilities	-	$ 201,734
NET POSITION		
Held in Trust for Other Employment Benefits	$ 3,286,021	

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2019

	Retired Employees Health Care Plan
ADDITIONS	
Contributions:	
Employer	$ 307,000
Investment Earnings:	
Net Appreciation in Fair Value of Investments	183,014
Total Additions	490,014
DEDUCTIONS	
Administration	2,413
Total Deductions	2,413
Change in Net Position	487,601
Net Position Held in Trust for Other Post-Employment Benefits:	
Net Position - Beginning of Year	2,798,420
Net Position - End of Year	$ 3,286,021

The accompanying notes are an integral part of this statement.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The City of Pismo Beach (the "City") in a general law city, governed by a City Council/City Manager form of government. The City Council is an elected five-member body comprising four City Council Members, who serve 4-year terms and a Mayor, who serves a 2-year term. Following an election, the Council votes to appoint one of its members to serve as Mayor Pro Tempore for two years. The accompanying financial statements present the City (the Primary government) and its component units, entities for which the government is considered financially accountable.

The City of Pismo Beach Public Financing Authority (the "Authority"), the Pismo Beach Public Financing Agency (the "Agency") and the Public Facilities Corporation (the "Corporation") are legally separate corporate entities for which the City is financially accountable and they are governed by the elected City Council. The Agency was created by a joint exercise of powers agreement between the City and the Pismo Beach Industrial Development Authority. The Authority, Agency and Corporation were formed to provide a method of financing public improvements. The City has identified the Authority, the Agency and the Corporation as blended component units in accordance with standards set by the Governmental Accounting Standards Board (GASB) and they have been included in the accompanying financial statements. The Authority, the Agency and the Corporation do not separately issue financial statements.

B) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the City and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater function and other functions of the City. Elimination of these would distort the direct costs and program revenues reported for various functions concerned.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgements, are recorded only when payment is due.

Property taxes, sales taxes, transient occupancy taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measureable and available only when cash is received by the government.

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 the proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary and internal service funds are charges to customers for sales and services. Operating expenses for the proprietary and internal service funds include the costs of sales and services, administration costs and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

GASB defines major funds and requires that the City's major governmental and proprietary funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund type.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Major funds are defined as funds that have assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, or expenditures/expenses equal to ten percent of their fund-type total and at least five percent of the grand total. The General Fund is always a major fund. The City also selects other funds it believes should be presented as major funds.

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the general government not accounted and reported in another fund.

The *Housing In-Lieu Fee Fund* is a special revenue fund used to account for affordable housing. The main revenue source is an in lieu fee paid by developers at 5% of assessed valuation of building permits.

The *Capital Projects Fund* is used to accumulate resources for use in financing major capital improvement projects.

The City reports the following major proprietary funds:

The *Water Fund* accounts for the operations of the City's water treatment and distribution system.

The *Wastewater Fund* accounts for the operation of the City's wastewater treatment plant and collection facilities.

The *Pier Fund* is used to account for operations refurbishment and maintenance of the City's pier located on the ocean front in downtown Pismo Beach.

Additionally, the City has established internal service funds which are used to account for the City's vehicle fleet and technology equipment and services provided to other City departments on a cost reimbursement basis.

The City has established a fiduciary fund that is a private-purpose trust fund to account for assets held in the California Employer's Retiree Benefit Trust (CERBT) Fund. The City has also established a second fiduciary fund to collect and record the San Luis Obispo County tourism tax of which 98% is remitted to the County and 2% remains with the City and is transferred to the general fund after collection.

D) Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Fund Balance

Cash and Investments

The City is authorized by its most recent investment policy to invest in the State of California Local Agency Investment Fund, U.S. Treasury bonds, bills, and notes, obligations issued by the US Government agencies, corporate bonds, negotiable certificates of deposit, commercial paper, time deposits and savings and demand agencies.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Fund Balance - Continued

Cash and Investments - Continued

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Fair Value Measurement

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement data. The City uses the fair value hierarchy established by generally accepted accounting principles, using valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - Observable inputs, other than Level 1 prices, for the asset or liability, either directly or indirectly;

Level 3 - Unobservable inputs for the asset or liability.

For fiscal year ended June 30, 2019, the application of valuation techniques applied to the City's financial statements has been consistent.

Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as with "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and 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 fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Fund Balance - Continued

Receivables and Payables - Continued

At June 30, 2019, the City has determined that no allowance for uncollectible accounts is required for taxes receivable, due from other governments and accrued interest receivable. Accounts receivable are shown net of an allowance for uncollectible accounts of $612,173.

Property taxes are levied as of March 1 on property values assessed as of the same date. State statutes provide that the property tax rate be limited generally to 1% of market value, be levied by only the County, and be shared by applicable jurisdictions. The County of San Luis Obispo collects the taxes and distributes them to taxing jurisdictions on the basis of assessed valuations subject to voter-approved debt. Property taxes are due on November 1, and March 1, and become delinquent on December 10 and April 10. The City receives property taxes pursuant to an arrangement with the County known as the "Teeter Plan". Under the Teeter Plan the County assumes responsibility for the collection of delinquent taxes and pays the full allocation to the City. The City recognizes property tax revenues in the fiscal year in which they are due to the City.

Inventories and Prepayments

The City has no significant inventories. All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when used or consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepayments in the governmental funds are accounted for using the consumption method.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 ($50,000 for infrastructure type assets) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement would be reported at acquisition value rather than fair value.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Fund Balance - Continued

Capital Assets - Continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major capital outlay for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment of the City are depreciated using the straight line method over the following estimated useful lives:

Building and Improvements	10 - 50 years
Public Domain Infrastructure	50 years
System Infrastructure	15 - 60 years
Vehicles and Equipment	5 - 10 years

Deferred Outflows of Resources

In addition to assets, the statement of financial position can report a separate section for deferred outflows of resources. This represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources related to unamortized loss on refunding, pension and OPEB related items.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation benefits. There is a liability for unpaid accumulated vacation since the City does have a policy to pay employees for unused vacation when they separate from service with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured and have not been paid when due, for example, as a result of employee resignations and retirements.

Long-Term Liabilities

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Fund Balance - Continued

Pensions - Continued

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.

Other Post-Employment Benefits - OPEB

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources which represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue/contra expense) until that time. The City has pension related items and OPEB related items recorded as deferred inflow of resources in the government-wide statement of net position.

The City also has deferred inflows of resources in the governmental funds balance sheet that were not collected during the availability period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available and relate to intergovernmental revenues for grants and cost recoveries.

Fund Balances - Governmental Funds

Fund balance for governmental funds are reported in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These classifications include (1) non-spendable, (2) restricted, (3) committed, (4) assigned and (5) unassigned amounts.

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Fund Balance - Continued

Fund Balances - Governmental Funds - Continued

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either (a) not spendable in form such as inventories, prepaid items and certain long-term receivables or (b) legally or contractually required to be maintained intact.

Restricted Fund Balance - Includes amounts where constraints placed on the use of resources are externally imposed by grantors, contributors, other governments or by laws and regulations.

Committed Fund Balance - Includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision making authority which includes City Resolution or legislation. It also includes contractual obligations for which existing amounts cannot be used for any other purpose unless the City removes or changes the specified use by taking the same action it employed previously to commit those amounts.

Assigned - Amounts are fund balance amounts constrained by the City's intent to be used for a specific purpose. Such intent should be expressed by the City Manager or Director of Administrative Services to assign amounts to be used.

Unassigned - These are residual amounts reported in the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other government funds it is not appropriate to report a positive unassigned fund balance amount. However in the government funds other than the general fund, if expenditures incurred for a specific purpose 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.

When expenditures are incurred for which both restricted and unrestricted (committed, assigned or unassigned) amounts are available, the City considered restricted amounts to have been spent first. When expenditures are incurred for which any class of unrestricted fund balance could be used, the City considers committed amounts would be reduced first, followed by assigned, and then unassigned amounts.

The City maintains three reserves as part of their committed fund balance. The General Fund Reserve (GFR), City Facility Reserve (CFR) and Risk Management Reserve (RMR) are established by the City as stabilization arrangements. The GFR policy requires that a minimum balance of 25% of the general fund operating expenditure budget be maintained in any given year and is to be used for emergencies, economic downturns, decreased revenues, capital acquisitions, cash flow needs and emergency opportunities as defined by the policy. As of June 30, 2019 the balance in the GFR was $5,518,372. The CFR policy requires that $500,000 be set aside for improvements to city buildings and facilities particularly if funds are not available in a given fiscal year due to emergencies, economic downturn, decreased revenues or cash flow needs as defined by the

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Assets, Liabilities, Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position or Fund Balance - Continued

Fund Balances - Governmental Funds - Continued

policy. As of June 30, 2019 the balance in the CFR was $500,000. The RMR policy requires that $50,000 be set aside each year up to $300,000 to fund general liability and worker's compensation costs over 10% of the adopted budget for risk management costs, legal costs, judgments, or to avoid judgments. As of June 30, 2019 the balance in the RMR was $250,000.

Reconciliation of Government-Wide and Fund Financial Statements

A reconciliation between total fund balance of the governmental funds and total net position of the governmental activities as reported in the government-wide statement of net position is presented as part of the financial statements.

A reconciliation between total net change in fund balance of the governmental funds and total change in net position of governmental activities as reported in the government-wide statement of activities is presented as part of the financial statements.

There are no differences between total net position of the proprietary funds and total net position of the business-type activities as reported in the government-wide statement of net position.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Appropriations lapse at fiscal year-end. The appropriated budget is prepared by fund, function and department. The City Manager may make transfers of appropriations within a department. Transfers between departments and other changes require City Council approval. The legal level of control is the department and fund level. The Council made supplemental appropriations during the fiscal year. Encumbrance accounting is employed in governmental funds.

2) CASH AND INVESTMENTS

At June 30, 2019, cash and investments consisted of the following:

Statement of Net Position:	
Cash and Investments	$ 56,046,468
Restricted Cash and Investments	384,989
Statement of Fiduciary Net Position:	
Cash and Cash Equivalents	86,025
Investments	3,286,021
Total Cash and Investments	$ 59,803,503

2) CASH AND INVESTMENTS - Continued

At June 30, 2019, cash and investments consisted of the following:

Cash	$ 1,805,221
Cash Held by Fiscal Agents	384,989
Investments	57,613,293
Total Cash and Investments	$ 59,803,503

Custodial Credit Risk - Deposits

Custodial credit risk - deposits is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. Deposits with financial institutions, including certificates of deposit, totaled $18,658,475 at June 30, 2019 and were insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

For custodial credit risk associated with deposits, the City's policy is to follow the California Government Code which requires California financial institutions to secure the City's deposit by pledging government securities as collateral. The market value of the pledged securities must equal 110% of the City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes equal to 150% of the City's deposits.

Investment Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. Investments classified in Level 2 of the fair value hierarchy are valued using matrix pricing techniques. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

The following is a summary of the fair value measurements as of June 30, 2019:

	Fair Value	Quoted Prices in Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Hierarchy:				
Negotiable Certificates of Deposit	$ 16,853,253	$	$ 16,853,253	$
US Government Agency Obligations	8,379,949		8,379,949	
Corporate Bonds	2,008,200		2,008,200	
Total Investments by Fair Value Hierarchy	27,241,402	$ -	$ 27,241,402	$ -
Investments Not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund	27,050,010			
Money Market Funds	35,861			
California Employer's Retiree Benefit Trust Program Pooled Investments	3,286,020			
Total Investments Not Subject to Fair Value Hierarchy	30,371,891			
Total Investments Measured at Fair Value	$ 57,613,293			

2) CASH AND INVESTMENTS - Continued

Local Agency Investment Fund

The City is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF management calculates the fair value and cost of the entire LAIF pool. The City adjusts its cost basis invested in LAIF to fair value based upon this ratio. The fair value of the City's position in the pool is the same as the value of the pool share. The balance available for withdrawal on demand is based on accounting records maintained by LAIF, which are recorded on an amortized cost basis. At June 30, 2019 LAIF had a weighted average maturity of 173 days.

Custodial Credit Risk - Investments

Custodial credit risk - investments is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments that are in the possession of an outside party. All of the City's investments in securities are insured or registered and held by a counterparty in the City's name in accordance with the City's policies. The City's investment policy specifies that securities are to be held by a third party, other than the counterparty, in the City's name, whenever possible.

Interest Rate Risk

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits the City's investment portfolio to securities having a maturity date of five years or less at the date of purchase.

At June 30, 2019, maturities were as follows for the City's investments:

Liquidity	Amount
FY 2019-20	$ 30,963,009
FY 2020-21	7,858,420
FY 2021-22	11,216,148
FY 2022-23	4,193,102
FY 2023-24	3,382,614
Total Investments	$ 57,613,293

Concentration of Credit Risk

The City's policies in the Investment Management Plan provide guidelines (by type of investment vehicle that limits either the dollar amount, the percent of the portfolio or the maturity term), for diversifying the investment portfolio of so that potential losses on individual securities will be minimized. Investment in U.S. Government Agency Obligation represents 16% of the City's investments at June 30, 2019. These U.S. government-sponsored enterprise agency securities are not explicitly guaranteed by the U.S. Government.

2) CASH AND INVESTMENTS - Continued

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. The City's policy is to mitigate this risk by investing in investment grade securities and by diversifying the investment portfolio so that the failure of any one issuer does not unduly harm the investment portfolio.

At June 30, 2019, credit risk ratings were as follows for the City's investments:

	Rating	Fair Value
State Local Agency Investment Fund	Unrated	$ 27,050,010
California Employer's Retiree Benefit Trust Fund	Unrated	3,286,020
Negotiable Certificates of Deposit	Unrated	16,853,253
Money Market Funds	Unrated	35,861
U.S. Government Agency Obligations	AA+	8,379,949
Non-U.S. Corporate Bonds	AA-	998,970
U.S. Corporate Bonds	AA-	1,009,230
Total Investments		$ 57,613,293

3) ACCOUNTS RECEIVABLE

At June 30, 2019, accounts receivable consisted of the following:

	General	Housing In Lieu	Capital Projects	Other Nonmajor Governmental Funds	Internal Service	Total Governmental Activities
Governmental Activities:						
Taxes Receivable	$ 1,692,624	$	$	$ 231,217	$	$ 1,923,841
Accounts Receivable	200,429			9,288	87,350	297,067
Due From Other Governments			181,839	26,945		208,784
Accrued Interest Receivable	45,569	5,625		21,071	2,963	75,228
Total Accounts Receivable	$ 1,938,622	$ 5,625	$ 181,839	$ 288,521	$ 90,313	$ 2,504,920

	Water	Wastewater	Other Enterprise Funds	Total Business-Type Activities
Business-Type Activities:				
Accounts Receivable	$ 702,143	$ 1,411,834	$ 47,696	$ 2,161,673
Accrued Interest Receivable	36,913	39,942	9,118	85,973
Total Accounts Receivable	$ 739,056	$ 1,451,776	$ 56,814	$ 2,247,646

4) NOTE RECEIVABLE

In 2012, the City entered into a note receivable agreement for a loan in the amount of $1,657,235 for the development of affordable housing. The loan bears interest at 3% per annum. Principal and interest are due and payable in full in 2066. The loan is secured by a deed of trust and a regulatory agreement. At June 30, 2019, the current principal balance and accrued interest on the note receivable was $1,377,208.

5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Transfers/ Deletions	Balance June 30, 2019
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 7,348,795	$	$	$ 7,348,795
Right-of-way - Street System	5,068,528			5,068,528
Construction in Progress	2,489,946	6,746,613	(1,185,044)	8,051,515
Total Capital Assets, Not Being Depreciated	14,907,269	6,746,613	(1,185,044)	20,468,838
Capital Assets, Being Depreciated:				
Buildings	5,531,963			5,531,963
Machinery and Equipment	2,939,444	98,375	(4,347)	3,033,472
Vehicles	5,596,776	382,032	(129,028)	5,849,780
Improvements	10,319,710	113,341		10,433,051
Infrastructure - Street System	55,126,743	2,690,105		57,816,848
Total Capital Assets, Being Depreciated	79,514,636	3,283,853	(133,375)	82,665,114
Accumulated Depreciation:				
Buildings	(2,898,674)	(86,075)		(2,984,749)
Machinery and Equipment	(2,052,322)	(207,900)	4,347	(2,255,875)
Vehicles	(3,232,941)	(402,761)	129,028	(3,506,674)
Improvements	(4,918,226)	(399,162)		(5,317,388)
Infrastructure - Street System	(32,624,037)	(1,690,931)		(34,314,968)
Total Accumulated Depreciation	(45,726,200)	(2,786,829)	133,375	(48,379,654)
Total Capital Assets, Being Depreciated, Net	33,788,436	497,024	-	34,285,460
Net Capital Assets, Governmental Activities	$ 48,695,705	$ 7,243,637	$ (1,185,044)	$ 54,754,298

5) CAPITAL ASSETS - Continued

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 377,775	$	$	$ 377,775
Construction in Progress	11,007,394	7,770,936	(8,605,704)	10,172,626
Total Capital Assets, Not Being Depreciated	11,385,169	7,770,936	(8,605,704)	10,550,401
Capital Assets, Being Depreciated:				
Buildings	333,726			333,726
Tanks, Wells and Improvements	12,042,010	158,966	(1,922,411)	10,278,565
Equipment	2,865,532	196,282		3,061,814
Pipelines and Collection System	32,592,152	224,139		32,816,291
Pier	2,142,553	8,446,738		10,589,291
Total Capital Assets, Being Depreciated	49,975,973	9,026,125	(1,922,411)	57,079,687
Accumulated Depreciation:				
Buildings	(339,711)	(3,863)		(343,574)
Tanks, Wells and Improvements	(7,465,492)	(644,588)		(6,840,458)
Equipment	(1,461,019)	(298,799)	1,269,622	(1,759,818)
Pipelines and Collection System	(11,105,242)	(156,862)		(11,262,104)
Pier	(1,373,284)	(127,851)		(1,501,135)
Total Accumulated Depreciation	(21,744,748)	(1,231,963)	1,269,622	(21,707,089)
Total Capital Assets, Being Depreciated, Net	28,231,225	7,794,162	(652,789)	35,372,598
Net Capital Assets				
Business-type Activities	$ 39,616,394	$ 15,565,098	$ (9,258,493)	$ 45,922,999

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	$ 182,263
Public Safety	196,319
Community Services	216,172
Infrastructure	1,758,145
Internal Service Funds	433,930
Total Depreciation - Governmental Activities	$ 2,786,829

5) CAPITAL ASSETS - Continued

Business-type Activities:	
Water	$ 414,901
Wastewater	637,890
Pier	129,593
Parking	49,579
Total Depreciation - Business-type Activities	$ 1,231,963

6) LONG-TERM DEBT

The City's internal service fund predominately serves the governmental funds. Accordingly, long-term liabilities of the internal service fund are included in governmental activities in the statement of net position. At June 30, 2019, compensated absences of the internal service fund were $7,619.

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund. See Note 11 for further discussion on claims liability.

Long-term activity for the year ended June 30, 2019 was as follows:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 546,164	$ 89,469	$ (136,541)	$ 499,092	$ 124,773
Lease Revenue Bonds	11,476,917	-	(257,074)	11,219,843	272,307
Unamortized Bond Premium	184,609	-	(6,154)	178,455	
Total Long-Term Debt Governmental Activities	$ 12,207,690	$ 89,469	$ (399,769)	$ 11,897,390	$ 397,080

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
Business-type Activities:					
Compensated Absences	$ 60,590	$ 13,606	$ (15,148)	$ 59,048	$ 14,762
Revenue Refunding Bonds	4,540,000	-	(220,000)	4,320,000	235,000
Unamortized Bond Premium	303,884	-	(20,259)	283,625	-
State Revolving Loans from Direct Borrowings	5,011,205	1,510,664	(575,374)	5,946,495	585,759
Total Long-term Debt Business-type Activities	$ 9,915,679	$ 1,524,270	$ (830,781)	$ 10,609,168	$ 835,521

6) LONG-TERM DEBT - Continued

2017 Lease Revenue Bonds

In June 2017, the Agency issued lease revenue bonds (2017 bonds) in the amount of $7,685,000 to fund the rehabilitation of the Pismo Beach pier. The debt is reported within the governmental activities and the related debt service payments are reported within the General Fund. The Base Rental Payments from a lease between the City and the Agency have been pledged by the Agency as security for the payment of principal and interest on the 2017 bonds. The City agreed to take such action as is necessary to budget for and to appropriate such amounts. The bonds maturing on or after December 1, 2027 are subject to redemption prior to maturity as specified in the bond resolution. The 2017 bonds bear interest at rates from 2% to 5%. Principal and interest are payable in semi-annual installments each June 1 and December 1 through 2047.

In the Statement of Net Position, the 2017 bonds include the related unamortized premium which is being amortized and charged to expense over the term of the 2017 bonds. At June 30, 2019, the unamortized premium was $178,455.

At June 30, 2019, future minimum principal and interest payments on the 2017 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 135,000	$ 264,863	$ 399,863
2021	145,000	259,263	404,263
2022	150,000	253,363	403,363
2023	155,000	246,487	401,487
2024	160,000	238,612	398,612
2025-2029	940,000	1,068,512	2,008,512
2030-2034	1,150,000	857,812	2,007,812
2035-2039	1,355,000	646,719	2,001,719
2040-2044	1,600,000	401,038	2,001,038
2045-2048	1,490,000	106,400	1,596,400
Total	$ 7,280,000	$ 4,343,069	$ 11,623,069

2017B Lease Revenue Bonds

In December 2017, the Agency issued lease revenue bonds (2017B Federally taxable New Clean Renewable Energy Bonds) in the amount of $4,061,917 to fund the construction and installation of a fully-integrated solar photovoltaic generation and storage facility at the City's Wastewater Treatment Plant and an integrated solar photovoltaic generation facility at the Police Department. The debt is reported within the governmental activities and the related debt service payments are reported within the Public Financing Agency fund. The Base Rental Payments from a lease between the City and the Agency have been pledged by the Agency as security for the payment of principal and interest on the 2017B bonds. The City agreed to take such action as is necessary to budget for and to appropriate such amounts. The bonds maturing on or after December 1, 2037 are subject to redemption prior to maturity as specified in the bond resolution. The 2017B bonds bear interest at 4.370%. Principal and interest are payable in semi-annual installments each June 1 and December 1 through 2037.

6) LONG-TERM DEBT - Continued

2017B Lease Revenue Bonds - Continued

At June 30, 2019, future minimum principal and interest payments on the 2017B bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 137,307	$ 169,171	$ 306,478
2021	143,307	163,040	306,347
2022	149,569	156,640	306,209
2023	156,106	149,961	306,067
2024	162,927	142,990	305,917
2025-2029	927,866	599,249	1,527,115
2030-2034	1,149,116	373,165	1,522,281
2035-2038	1,113,645	99,933	1,213,578
Total	$ 3,939,843	$ 1,854,149	$ 5,793,992

Wastewater Refunding Revenue Bonds, Series 2012

In 2012, the Authority issued revenue refunding bonds (2012 bonds) in the amount of $5,710,000 to advance refund the 2004 revenue bonds, Series A. The Authority entered into a lease agreement with the City wherein the City is obligated to make all debt service payments on the 2012 bonds. The transactions between the Authority and the City have been eliminated from these financial statements and the debt and related debt service payments are reported within the Wastewater fund. The 2012 bonds bear interest at rates of 2% to 5%. Principal and interest are payable in semi-annual installments each June 30 and December 30 through 2032.

At June 30, 2019, future minimum principal and interest payments on the 2012 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 235,000	$ 159,063	$ 394,063
2021	240,000	148,363	388,363
2022	255,000	135,987	390,987
2023	270,000	122,863	392,863
2024	280,000	109,112	389,112
2025-2029	1,575,000	370,650	1,945,650
2030-2033	1,465,000	100,384	1,565,384
Total	$ 4,320,000	$ 1,146,422	$ 5,466,422

6) LONG-TERM DEBT - Continued

Wastewater Refunding Revenue Bonds, Series 2012 - Continued

In the statement of net position, the 2012 bonds include the related unamortized premium which is being amortized and charged to expense over the term of the 2012 bonds. At June 30, 2019, the unamortized premium was $306,281.

The City has also pledged future wastewater system revenues, net of specified operating expenses, to repay the 2012 bonds. The bonds are payable solely from wastewater customer net revenues. For the year ended June 30, 2019, principal and interest paid and total customer net revenues were $388,163 and $4,929,387, respectively.

State Revolving Fund Loans from Direct Borrowings

The City entered into an agreement with the State Water Resources Control Board for a $10,154,284 loan with an effective interest rate of approximately 1.8% for the purpose of financing wastewater system improvements.

At June 30, 2019, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 537,623	$ 71,636	$ 609,259
2021	547,317	61,943	609,260
2022	557,185	52,075	609,260
2023	567,231	42,028	609,259
2024	577,458	31,801	609,259
2025-2026	1,186,339	32,180	1,218,519
Total	$ 3,973,153	$ 291,663	$ 4,264,816

The City entered into a second agreement with the State Water Resources Control Board for $231,904 loan with an effective interest rate of approximately 1.8% for the purpose of financing additional improvements.

At June 30, 2019, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 13,087	$ 1,559	$ 14,646
2021	13,335	1,311	14,646
2022	13,588	1,059	14,647
2023	13,845	802	14,647
2024	14,107	540	14,647
2025	14,376	272	14,648
Total	$ 82,338	$ 5,543	$ 87,881

6) LONG-TERM DEBT - Continued

State Revolving Fund Loans from Direct Borrowings - Continued

The City also entered into third agreement with the State Water Resources Control Board for an additional $847,763 loan with an effective interest rate of approximately 1.8% for the purpose of financial additional improvements.

At June 30, 2019, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 35,049	$ 7,478	$ 42,527
2021	35,681	6,857	42,538
2022	36,325	6,226	42,551
2023	36,979	5,582	42,561
2024	37,646	4,927	42,573
2025-2029	198,660	742	199,402
Total	$ 380,340	$ 31,812	$ 412,152

The City entered into a fourth agreement with the State Water Resources Control Board for a $2,927,304 loan with an effective interest rate of approximately 1.7% for the purpose of financing additional improvements. Currently, there is no payment schedule available.

As of June 30, 2019, there was currently $1,510,664 outstanding.

Direct Borrowings

All of the City's State Revolving Loans are from direct borrowings. There are no provisions for the outstanding loans in the event of default and no assets were held as collateral.

The City has pledged future wastewater system revenues, net of specified operating expenses, to repay the State Revolving Fund Loans. Proceeds from the loans were used to complete a major upgrade to the City's wastewater treatment plant and related facilities. The loans are payable solely from wastewater customer net revenues and are payable through 2026. For the year ended June 30, 2019, principal and imputed interest paid and total system net revenues were $609,260 and $4,929,387, respectively.

7) PUBLIC EMPLOYEES RETIREMENT PLAN

A) General Information

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

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

While the City's Safety and Miscellaneous plan are not closed to new entrants, the component option of Safety Fire Tier 1, Safety Police Tier 1, and Miscellaneous Tier 1 are closed to new entrants. Classic members, as defined by CalPERS, entering the City's plans would enter the Tier 2 plans, and New Members, as defined by CalPERS, would enter the PEPRA plans.

The Plan's provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Safety - Fire	
	Tier 1	**PEPRA**
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formulas	2.0% at 50	2.7% at 57
Benefit Vesting Schedule	5 Years Service	5 Years Service
Benefit Payments	Monthly for Life	Monthly for Life
Retirement Age	50 - 55+	50 - 55+
Monthly Benefits, as a % of Eligible Compensation	2.0%	2.0% to 2.7%
Required Employee Contribution Rates	9%	9%
Required Employer Contribution Rates	15.719%	12.141%
Final Average Compensation Period	3-Year Average	3-Year Average

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

A) General Information about the Pension Plans - Continued

	Safety - Police		
	Tier 1	**Tier 2**	**PEPRA**
Hire Date	Prior to January 1, 2013	On or After December 17, 2012	On or After January 1, 2013
Benefit Formulas	3.0% at 50	3.0% at 55	2.7% at 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	50 - 55+	50 - 55+	50 - 55+
Monthly Benefits, as a % of Eligible Compensation	3.0%	3.0%	2.0% - 2.7%
Required Employee Contribution Rates	12%	12%	12.5%
Required Employer Contribution Rates	20.556%	17.614%	12.141%
Excludes Employer Share Paid by Employee	-3.00%	-3.00%	-0.50%
Final Average Compensation Period	Single Highest Year	3-Year Average	3-Year Average

	Miscellaneous		
	Tier 1	**Tier 2**	**PEPRA**
Hire Date	Prior to January 1, 2013	On or After December 17, 2012	On or After January 1, 2013
Benefit Formulas	2.5% at 55	2.0% at 60	2.0% at 62
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	50 - 55+	50 - 63+	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	2.0% - 2.7%	1.0% - 2.0%	1.0% - 2.5%
Required Employee Contribution Rates	8%	8%	8%
Required Employer Contribution Rates	10.609%	7.634%	6.842%
Excludes Employer Share Paid by Employee	0.00%	-1.00%	-1.75%
Final Average Compensation Period	Single Highest Year	3-Year Average	3-Year Average

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

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

A) General Information about the Pension Plans - Continued

For the year ended June 30, 2019, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety	Total
Contributions - Employer	$ 1,973,274	$ 2,193,008	$ 4,166,282

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

As of June 30, 2019, the City reported net pension liabilities for its proportionate share of the net pension liability of the Plan as follows:

	Miscellaneous	Safety	Total
Plan's Proportionate Share of the Net Pension Liability	$ 7,895,686	$ 7,991,824	$ 15,887,510

The City net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2018, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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 plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2018 and 2019 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2018	0.23640%	0.15784%	0.18907%
Proportion - June 30, 2019	0.20951%	0.13620%	0.16487%
Change - Increase/(Decrease)	-0.02689%	-0.02164%	-0.02470%

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

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

For the year ended June 30, 2019, the City recognized pension expense of $3,241,138. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 840,508	$
Changes in Assumptions	679,527	
Differences Between Expected and Actual Experience	199,854	
Differences Between Projected and Actual Investment Earnings	39,034	
Difference Between Employer's Contribution and Proportionate Share of Contributions	690,450	(3,989)
Change in Employer's Proportion	68,558	(804,117)
Total	$ 2,517,931	$ (808,106)

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 1,246,304	$
Changes in Assumptions	678,343	
Differences Between Expected and Actual Experience	171,066	
Differences Between Projected and Actual Investment Earnings	54,108	
Difference Between Employer's Contribution and Proportionate Share of Contributions	979,053	
Change in Employer's Proportion		(819,840)
Total	$ 3,128,874	$ (819,840)

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

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

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 2,086,812	$
Changes in Assumptions	1,357,870	
Differences Between Expected and Actual Experience	370,920	
Differences Between Projected and Actual Investment Earnings	93,142	
Difference Between Employer's Contribution and Proportionate Share of Contributions	1,669,503	(3,989)
Change in Employer's Proportion	68,558	(1,623,957)
Total	$ 5,646,805	$ (1,627,946)

Pension contributions subsequent to the measurement dates of $2,086,812 are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Deferred Outflows (Inflows) of Resources		
Year Ending June 30,	Miscellaneous Plan	Safety Plan	Total
2020	$ 768,439	$ 822,295	$ 1,590,734
2021	439,441	490,744	930,185
2022	(267,545)	(194,954)	(462,499)
2023	(71,018)	(55,355)	(126,373)
2024			
Thereafter			
Total	$ 869,317	$ 1,062,730	$ 1,932,047

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

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

Actuarial Assumptions - The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service[(1)]
Post Retirement Benefit Increase[(2)]	
Mortality[(3)]	

[(1)] Depending on age, service and type of employment
[(2)] Contract COLA up 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter
[(3)] Derived using CalPERs' Membership Data for all Funds.

The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. More information on this table and assumptions can be found on the CalPERS website under Forms and Publications.

Changes in Assumptions - For the measurement date June 30, 2018, the accounting discount rate remained the same 7.15%. There were no changes in assumptions for the June 30, 2017 measurement date.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each Plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans ran out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 section.

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the Funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above the rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective July 1, 2014.

Asset Class[1]	New Strategic Allocation	Real Return Years 1 - 10[2]	Real Return Years 11+[3]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	-	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%		-0.92%
Total	100%		

[1] In the System's CAFR, Fixed Income is included in Global Debt securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
[2] An expected inflation of 2.0% used for this period.
[3] An expected inflation of 2.92% used for this period

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

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

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

	Miscellaneous	Safety	Total
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	$ 12,643,679	$ 12,731,564	$ 25,375,244
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	$ 7,895,686	$ 7,991,824	$ 15,887,510
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	$ 3,976,295	$ 4,108,455	$ 8,084,750

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

C. Payable to the Pension Plan

At June 30, 2019, the City reported a payable of $0, for the outstanding amount of contributions to the pension plan for the year ended June 30, 2019.

8) OTHER POST EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City administers the City's Retired Employees Healthcare Plan (the Plan), a single employer defined benefit healthcare plan. The Plan provides medical insurance benefits to eligible retirees and their spouses. City resolutions and agreements assign the authority to establish and amend benefit provisions to the City. The City entered into an agreement with the CalPERS California Employers' Retiree Benefit Trust (CERBT), an agent-multiple defined Healthcare Plan, to pre-fund the City's OPEB liability. CERBT issues a publicly available financial report in aggregate with other CERBT participating employers. That report may be obtained by contacting PERS, 400 P Street, Sacramento, California 95814.

Funding Policy

The contribution requirements of plan members and the City are established by and may be amended by the City. Plan members receiving benefits contributed to amounts of the total premiums.

8) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

Employees Covered

As of June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	89
Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to, but not yet receiving benefits	20
Total	145

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2019, the City made contributions of $307,000 plus $176,880 cash benefit payments and $81,000 implied subsidy benefit payments and $860 in administrative expenses.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 based on the following actuarial methods and assumptions:

Net OPEB Liability

Actuarial Assumptions

Discount Rate	6.75%
Inflation	2.75%
Salary Increases	3.00% plus merit
Investment Rate of Return	6.75%
Mortality Rate[(1)]	Derived using CalPERS Membership Data for all funds
Pre-Retirement Turnover[(2)]	Derived using CalPERS Membership Data for all funds
Healthcare Trend Rate	7.5% (Non-Medicare) and 6.5% (Medicare) 4.25% (PEMHCA)

Notes:

(1) Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Reports may be access on the CalPERS website **www.calpers.ca.gov** under Forms and Publications.

(2) The pre-retirement turnover information was developed based on CalPERS specific data. For more details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website **www.calpers.ca.gov** under Forms and Publications.

8) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

***Net OPEB Liability* - Continued**

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	57.0%	4.82%
Fixed Income	27.0%	1.47%
TIPS	5.0%	1.29%
REITS	8.0%	3.76%
Commodities	3.0%	0.84%
Total	100%	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projects benefit payments to determine the total OPEB liability.

8) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

Changes in the OPEB Liability

The changes in the net OPEB liability for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2018 ***(Valuation Date June 30, 2018)***	$ 4,295,036	$ 2,325,556	$ 1,969,480
Changes Recognized for the Measurement Period:			
Service Cost	157,747		157,747
Interest	292,369		292,369
Changes of Assumptions			-
Contributions - Employer		534,785	(534,785)
Net Investment Income		183,879	(183,879)
Benefit Payments	(242,785)	(242,785)	-
Administrative Expense		(4,328)	4,328
Net Changes	207,331	471,551	(264,220)
Balance at June 30, 2019 ***(Measurement Date June 30, 2018)***	$ 4,502,367	$ 2,797,107	$ 1,705,260

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

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	$ 2,249,764	$ 1,705,260	$ 1,250,234

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability	$ 1,369,551	$ 1,705,260	$ 2,166,311

8) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

OPEB Plan Fiduciary Net Position

CERBT issues a publicly available financial report that may be obtained from the California Public Employees Retirement System Executive Office, 400 P Street, Sacramento, California 95814.

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL)

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of $274,980. As of fiscal year ended June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 565,740	$
Changes in assumptions		
Net differences between projected and actual earnings on OPEB plan investments		(65,114)
Total	$ 565,740	$ (65,114)

8) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

***OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* - Continued**

The $565,740 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date as the valuation was for the same reporting period. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2020	$ (20,073)
2021	(20,073)
2022	(20,072)
2023	(4,896)
2024	
Thereafter	

9) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

There were no interfund receivables and payables at June 30, 2019. Interfund transfers for the year ended June 30, 2019 were as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	$ 429,462	$ 4,477,679
Other Governmental Funds:		
State Gas Tax Fund		636,950
Local Transportation Streets Fund		441,365
Public Education Grant Fund		8,778
Noncapital Grants Fund		79,781
Chapman House Estate Fund		8,246
Park Development Fund		115,913
Circulation Improvement Fund	4,421	
Capital Projects Fund	4,523,015	64,086
Impact Fees Fund		357,143
City of Pismo Beach Public Financing Agency Fund	702,470	2,850,339
Proprietary Funds:		
Water Fund	2,230,790	2,297,921
Wastewater Fund	2,798,663	554,917
Pier Fund	726,277	529
Internal Service Funds	605,259	126,710
	$ 12,020,357	$ 12,020,357

9) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS - Continued

The primary purpose of interfund transfers is to move unrestricted fund revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including capital outlay expenditures. Interfund transfers were made from the General Fund to the City of Pismo Beach Public Financing Agency Fund as debt service principal and interest payments become due. Interfund transfers were made from various funds to the Internal Service Fund for vehicle replacement contributions.

10) JOINTLY GOVERNED ORGANIZATIONS AND OPERATING AGREEMENTS

Jointly governed organizations are legal entities or other organizations that result from a contractual arrangement and that are owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control in which the participants retain an ongoing financial interest or ongoing financial responsibility.

The City is a participant in the following organizations:

South County Area Transit and San Luis Obispo Regional Transit Authority

The City is a member of South County Area Transit and San Luis Obispo Regional Transit Authority, which were formed to provide fixed route and regional transit services within the member cities and the County. The City's obligation to these entities is limited to the assignment of a portion of its Local Transportation Fund allocations to the joint powers agencies.

San Luis Obispo Council of Governments

The San Luis Obispo Council of Governments (SLOCOG) was formed in 1968 through a joint powers agreement among the incorporated cities and the County of San Luis Obispo. It acts as the regional transportation planning agency for the county and is the metropolitan planning organization and the congestion management agency for the region. The City's obligation to this entity is limited to the assignment of a portion of its Local Transportation Fund allocations to the agency.

The City has the following water treatment and supply agreements:

Water Treatment and Facilities Agreement

The City has an agreement with the San Luis Obispo County Flood Control and Water Conservation District (the "District") wherein the District and the Central Coast Water Authority (the "Water Authority") constructed and operate a joint water treatment facility and water conveyance system. The Water Authority financed the facility and system by selling revenue bonds, and in 1997, issued $198 million in refunding revenue bonds. In 2006, the Water Authority issued refunding bonds to take advantage of lower market interest rates. The agreement is a take-or-pay obligation, and the City is obligated to pay amounts specified in the agreement whether or not water is treated or delivered. The amounts paid by the City are pledged by the Water Authority for repayment of the Water Authority's debt obligations. The City recorded these payments as operating expenses of $103,890 and $1,512,328 to the District and Water Authority, respectively, in its Water Fund.

10) JOINTLY GOVERNED ORGANIZATIONS AND OPERATING AGREEMENTS - Continued

Water Supply Agreement

The City has entered into a water supply agreement with the District for the purpose of obtaining additional water for municipal purposes. The City is obligated to make payments even if the City fails or refuses to accept water deliveries. The District's source for such additional water supplies is the California State Water Project (SWP). The SWP has constructed facilities to extend the California Aqueduct to the Central Coast and to the facilities owned by the Water Authority. The City has recorded as long-term prepayments in its Water Fund payments made under this agreement while the SWP expansion was under construction and prior to its ability to convey water under the arrangement. These prepayments are being amortized to expense as operating expenses over the term of the agreement.

Lopez Dam Agreement

The City has entered into a Lopez Dam agreement with the District related to the Lopez Dam storage reservoir, water treatment plant, main conduits, and related facilities built for the primary purpose of providing a municipal water supply to cities in the County. This agreement is also a take-or-pay arrangement and the City is obligated to make payments regardless of water deliveries. In 2000, voters in Zone 3 of the District authorized the District to issue $13.2 million in general obligation bonds to provide funds to construct seismic improvements to the Lopez Dam and facilities. The District is to receive such tax revenues under the voter approved arrangement and is to also receive payments from the City and other participating governments in amounts sufficient to pay debt service on the bonds and related operating and capital costs. The City recorded these payments of $1,389,272 as expenses in its Water Fund.

11) RISK MANAGEMENT

Self-Insurance

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries insurance. The City, due to the costs of available coverage, participated as a member in the Central Coast Cities Self-Insurance Fund (CCCSIF) through June 30, 2003 for general liability insurance and through June 30, 2004 for workers' compensation insurance. Thereafter, the City joined the California Joint Powers Insurance Authority (California JPIA). The California JPIA provides general liability insurance to the City with a $50 million per occurrence and $50 million per year aggregate limit and workers compensation insurance with statutory benefits and $10 million employer's liability coverage. The risk of loss is transferred to the California JPIA. The City is subject to retrospective premium adjustments under the arrangement. Claims liabilities in the governmental funds are generally liquidated by the General Fund.

The City is responsible for payment of its respective claims that were outstanding with the CCCSIF at the time the City elected to insure with the California JPIA. The uninsured risk for these claims, referred to as tail-end claims, retained by the City was $300,000 per incident for workers' compensation claims, $50,000 per incident for general liability claims, and $5,000 per property damage claim. The CCCSIF periodically obtains actuarial studies and valuations of the tail-end claim liabilities, and the City reports such estimated amounts payable as claim liabilities in the statement of net position.

11) RISK MANAGEMENT - Continued

Self-Insurance - Continued

Liabilities of the City are reported in the statement of net position for the governmental activities when it is probable that a loss has occurred and the amount of the loss can be reasonable estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlements trends (including frequency and amount of pay-outs), and other economic and social factors.

The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate. Settlements have not exceeded coverage for each of the past three fiscal years.

Self-insurance activity as of and for the year ended June 30, 2019 is summarized as follows:

Interest Earnings	$	2,803
Claims Expense		(6,551)
Estimated liability for reported claims and settlement expenses		(49,605)
Assets on Deposit		115,126
Estimated unpaid claims liability at June 30, 2019	$	61,773

Changes in the balances of claims assets (liabilities) during the past two fiscal years were as follows:

Estimated unpaid claims liability at June 30, 2017	$	22,132
Claim payments and related expenditures reimbursement		(4,150)
Change in estimated claims liability for year ended June 30, 2018		(23,412)
Interest Earnings		1,753
Estimated unpaid claims liability (asset) at June 30, 2018		(3,677)
Claim payments and related expenditures reimbursement		(6,551)
Change in estimated claims liability for year ended June 30, 2019		65,521
Interest Earnings		2,803
Estimated unpaid claims liability at June 30, 2019	$	61,773

12) COMMITMENTS AND CONTINGENCIES

Litigation

The City is involved in litigation incurred in the normal course of conducting City business. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the City.

Grants and Allocations

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal and state government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

Construction and Other Significant Commitments

Construction and other significant commitments as of June 30, 2019, including encumbrances outstanding at year-end, were as follows:

General Fund	$	1,323,584
Special Revenue Funds		272,507
Capital Project Funds		8,969,381
Enterprise Funds		4,203,135
Internal Service Funds		626,002
Total	$	15,394,609

Long-term construction contracts are billed and paid on a percentage of completion, basis by construction phase.

13) NEW ACCOUNTING PRONOUNCEMENTS

In November of 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. Statement No. 83 provides financial statement users with information about asset retirement obligations that were not addressed in GASB standards by establishing uniform accounting and financial reporting requirements for these obligations. The provisions of Statement No. 83 are effective for reporting periods beginning after June 15, 2018. Currently, this Statement has no impact on the City's financial statements.

In January of 2017, GASB issued Statement No. 84*, Fiduciary Activities*. This Statement No. 84 establishes criteria for identifying fiduciary activities of all state and local governments. Activities meeting the criteria should be reported in a fiduciary fund in the basic financial statements. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the entity to disburse fiduciary resources. The provisions of Statement No. 84 are effective for fiscal years beginning after December 15, 2018. Management has not yet determined the impact of this Statement on its financial statements.

13) NEW ACCOUNTING PRONOUNCEMENTS - Continued

In June of 2017, GASB issued Statement No. 87, *Leases.* Statement No. 87 increases the usefulness of entities' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The provisions of Statement No. 87 are effective for fiscal years beginning after December 15, 2019. Management has not yet determined the impact of this Statement on its financial statements.

In March of 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement was issued to improve the information that is disclosed in the notes to government financial statements related to debt, including direct borrowings and direct placements. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. Statement No. 88 is effective for fiscal years beginning after June 15, 2018. Management has implemented this Statement and the effects are reflected in the financial statements.

In June of 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement was issued to (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Statement No. 89 is effective for fiscal years beginning after December 15, 2019. Management has elected early implement this Statement and is reflected in the financial statements.

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*. This Statement was issued to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. Statement No. 90 is effective for fiscal years beginning after December 15, 2018. Management has not yet determined the impact of this Statement on its financial statements.

13) NEW ACCOUNTING PRONOUNCEMENTS - Continued

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations.* This statement was issued to improve financial reporting for certain debt obligations. It allowed entities 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. Statement No. 91 is effective for fiscal years beginning December 15, 2020. The impact of the implementation of this statement to the Authority's financial statements has not been assessed at this time.

14) SUBSEQUENT EVENT

On October 15, 2019, the City's Motor Vehicle Replacement (MVR) Fund entered into an Interfund Loan Agreement with the Lodging Business Improvement District Fund in the amount of $2,801,791. The Loan will be paid annually at an interest rate of 2% over three years.

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Required Supplementary Information Section

City of Pismo Beach, California
Budgetary Comparison Schedule - General Fund
Budgetary Basis
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund Balances - Beginning of Year	$ 22,450,827	$ 22,450,827	$ 22,450,827	$ -
Resources (Inflows):				
Property Taxes	5,071,750	5,571,750	5,619,424	47,674
Sales Taxes	4,652,360	4,652,360	4,815,640	163,280
Transient Occupancy Taxes	10,272,880	10,272,880	10,498,160	225,280
Other Taxes	839,940	894,479	963,354	68,875
License and Permits	969,750	1,109,750	1,042,359	(67,391)
Fines and Forfeits	65,000	59,840	68,545	8,705
Subventions and Grants	53,180	181,962	111,321	(70,641)
Interest Earnings	142,000	558,898	655,411	96,513
Rental Income	181,163	173,513	188,518	15,005
Charges for Services	156,200	288,025	316,512	28,487
Miscellaneous	1,006,600	1,020,937	1,162,168	141,231
Proceeds from Sale of Assets			2,500	2,500
Transfers In	240,000	429,462	429,462	-
Amounts Available for Charges to Appropriations	46,101,650	47,664,683	48,324,201	659,518
Charges to Appropriations:				
General Government:				
City Council	243,955	236,516	221,178	15,338
Administration	541,020	598,589	541,274	57,315
City Clerk	330,876	343,136	320,438	22,698
Human Resources	343,614	400,878	373,228	27,650
Legal	278,900	453,077	428,440	24,637
Conference and Visitors Bureau	739,651	813,511	744,716	68,795
Finance	889,211	962,264	883,888	78,376
Nondepartmental - Other	1,977,347	1,323,702	1,146,287	177,415
Nondepartmental - Capital Outlay				
Nondepartmental - Retiree Medical	520,335	527,335	484,740	42,595
Facilities Maintenance	724,209	957,184	727,396	229,788
Public Safety:				
Police	6,481,724	6,584,815	6,329,991	254,824
Fire	2,765,515	2,911,936	2,428,051	483,885
Weed Abatement	17,140	15,140	14,454	686
Lifeguards	244,062	289,130	277,933	11,197
Public Works:				
Park Maintenance	1,113,396	1,151,899	923,756	228,143
Community Services:				
Buildings	670,572	919,314	778,266	141,048
Planning	809,284	1,650,445	802,800	847,645
Recreation	489,124	587,354	561,502	25,852
Engineering	772,978	823,168	787,746	35,422
Highways and Streets:				
Maintenance and Construction	698,979	987,732	703,736	283,996
Transfers Out	883,873	11,733,369	4,477,679	7,255,690
Total Charges to Appropriations	21,535,765	34,270,494	23,957,499	10,312,995
Fund Balance, End of Year	$ 24,565,885	$ 13,394,189	24,366,702	10,972,513

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Housing In-Lieu Special Revenue Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 7,800	$ 57,713	$ 86,153	$ 28,440
Charges for Services	50,000	50,000	60,724	10,724
Total Revenues	57,800	107,713	146,877	39,164
EXPENDITURES				
Current:				
Housing	1,215	14,415	14,412	3
Total Expenditures	1,215	14,415	14,412	3
Excess (Deficiency) of Revenues (Under) Over Expenditures	56,585	93,298	132,465	39,167
Net Change in Fund Balances	56,585	93,298	132,465	39,167
Fund Balance, Beginning of Year	3,412,388	3,412,388	3,412,388	-
Fund Balance, End of Year	$ 3,468,973	$ 3,505,686	$ 3,544,853	$ 39,167

City of Pismo Beach, California
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date
CalPERS Pension Plan Last Ten Years*
As of June 30, 2019

Miscellaneous

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	6/30/2018	0.210%	$ 7,895,686	$ 4,745,829	166.37%	77.50%
2018	6/30/2017	0.236%	$ 9,318,824	$ 4,527,631	205.82%	71.82%
2017	6/30/2016	0.237%	$ 8,245,195	$ 4,440,847	185.67%	75.87%
2016	6/30/2015	0.097%	$ 6,684,633	$ 4,536,614	147.35%	79.89%
2015	6/30/2014	0.100%	$ 6,236,321	$ 4,300,887	145.00%	81.15%

Safety

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	6/30/2018	0.136%	$ 7,991,824	$ 2,183,418	366.02%	76.76%
2018	6/30/2017	0.158%	$ 9,431,482	$ 1,950,209	483.61%	70.85%
2017	6/30/2016	0.167%	$ 8,633,480	$ 1,994,072	432.96%	72.69%
2016	6/30/2015	0.107%	$ 7,337,921	$ 2,137,977	343.22%	77.27%
2015	6/30/2014	0.112%	$ 6,971,092	$ 2,181,088	319.62%	78.83%

All Plans

Fiscal Year	Measurement Date	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	6/30/2018	0.165%	$ 15,887,510	$ 6,329,247	251.02%	77.13%
2018	6/30/2017	0.189%	$ 18,750,306	$ 6,477,840	289.45%	71.34%
2017	6/30/2016	0.195%	$ 16,878,675	$ 6,434,919	262.30%	71.68%
2016	6/30/2015	0.204%	$ 14,022,554	$ 6,674,591	210.09%	75.12%
2015	6/30/2014	0.212%	$ 13,207,413	$ 6,481,975	203.76%	79.99%

* Pension schedules are intended to show information for ten years, but fiscal year 2015 was the first year of implementation and information is required only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available.

City of Pismo Beach, California
Schedule of Plan Contributions
CalPERS Pension Plan Last Ten Years*
As of June 30, 2019

Miscellaneous

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	$ 840,508	$ (840,508)	$ -	$ 4,810,354	17.47%
2018	$ 973,474	$ (1,973,474)	$ (1,000,000)	$ 4,745,829	41.58%
2017	$ 898,126	$ (898,126)	$ -	$ 4,527,631	19.84%
2016	$ 811,650	$ (811,650)	$ -	$ 4,440,847	18.28%
2015	$ 715,407	$ (1,715,407)	$ (1,000,000)	$ 4,536,614	37.81%
2014	$ 830,445	$ (830,445)	$ -	$ 4,300,887	19.31%

Safety

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	$ 1,246,304	$ (1,246,304)	$ -	$ 2,216,283	56.23%
2018	$ 1,193,008	$ (2,193,008)	$ (1,000,000)	$ 2,183,418	100.44%
2017	$ 1,070,233	$ (1,070,233)	$ -	$ 1,950,209	54.88%
2016	$ 976,050	$ (976,050)	$ -	$ 1,994,072	48.95%
2015	$ 687,175	$ (687,175)	$ -	$ 2,137,977	32.14%
2014	$ 733,719	$ (733,719)	$ -	$ 2,181,088	33.64%

All Plans

Fiscal Year	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2019	$ 2,086,812	$ (2,086,812)	$ -	$ 7,026,637	29.70%
2018	$ 2,166,482	$ (4,166,482)	$ (2,000,000)	$ 6,929,247	60.13%
2017	$ 1,968,359	$ (1,968,359)	$ -	$ 6,477,840	30.39%
2016	$ 1,787,700	$ (1,787,700)	$ -	$ 6,434,919	27.78%
2015	$ 1,402,582	$ (2,402,582)	$ (1,000,000)	$ 6,674,591	36.00%
2014	$ 1,564,164	$ (1,564,164)	$ -	$ 6,481,975	24.13%

* Pension schedules are intended to show information for ten years, but fiscal year 2015 was the first year of implementation and information is required only for measurement periods for which GASB 68 is applicable. Additional years' information will be displayed as it becomes available. Contributions paid as of June 30, 2019 are deferred to June 30, 2020.

City of Pismo Beach, California
Schedule of Changes in the Net OPEB Liability and Related Ratios for
Measurement Periods Ended June 30
As of June 30, 2019

Measurement Period	2017	2018
Total OPEB Liability		
Service Cost	$ 153,152	$ 157,747
Interest on the Total OPEB Liability	279,739	292,369
Changes in Assumptions	-	-
Changes in Benefit Terms	-	-
Benefit Payments	(257,965)	(242,785)
Net Change in Total OPEB Liability	**174,926**	**207,331**
Total OPEB Liability - Beginning	**4,120,110**	**4,295,036**
Total OPEB Liability - Ending (a)	**$ 4,295,036**	**$ 4,502,367**
Plan Fiduciary Net Position		
Contribution - Employer	$ 537,965	$ 534,785
Net Investment Income	200,453	183,879
Benefit Payments	(257,965)	(242,785)
Administrative Expense	(1,012)	(4,328)
Net Change in Plan Fiduciary Net Position	**479,441**	**471,551**
Plan Fiduciary Net Position - Beginning	**1,846,115**	**2,325,556**
Plan Fiduciary Net Position - Ending (b)	**$ 2,325,556**	**$ 2,797,107**
Net OPEB Liability - Ending (a)-(b)	**$ 1,969,480**	**$ 1,705,260**
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.1%	62.1%
Covered Payroll	$ 6,688,838	$ 7,181,151
Net OPEB Liability as a Percentage of Covered Payroll	29.4%	23.7%

Notes to Schedule:

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

City of Pismo Beach, California
Schedule of Contributions - OPEB
Last Ten Fiscal Years*

Fiscal Year Ended June 30,	2018	2019
Actuarially Determined Contribution (ADC)	$ 290,000	$ 307,000
Contributions in Relation to the ADC	(534,785)	565,740
Contribution Deficiency (Excess)	$ (244,785)	$ (258,740)
Covered-Employee Payroll	$ 7,181,151	$ 7,274,214
Contributions as a percentage of covered-employee payroll	7.4%	7.8%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018 were from the June 30, 2018 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Inflation	2.75%
Salary Increases	3.00% plus merit
Investment Rate of Return	6.75% per annum
Healthcare Cost-trend Rates	7.5% (Non-Medicare) and 6.5% (Medicare) 4.25% (PEMHCA)
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	Pre-retirement mortality probability based on 2014 CalPERS 1997-2011 Experience Study covering CalPERS participants. Post-retirement mortality probability based on CalPERS Experience Study 2007-2011 covering participants in CalPERS.

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

NOTE 1: BUDGETARY DATA

Explanations of differences between budgetary inflows and outflows and revenues and expenditures under the modified accrual basis of accounting with generally accepted accounting principles are as follows:

Sources/Inflows of Resources:		
Actual "amounts available for charges to appropriations" from budgetary comparison schedule:	$	48,324,201
Differences - budgetary basis to GAAP:		
Fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes		(22,450,827)
Proceeds from sale of assets are inflows of budgetary resources but are not Revenues for financial reporting purposes		(2,500)
Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes		(429,462)
Total General Fund revenues as reported in the statement of revenues, expenditures and changes in fund balance - governmental funds	$	25,441,412
Uses/Outflows of Resources:		
Actual "total charges to appropriations" from the budgetary comparison schedule	$	23,957,499
Differences - budgetary basis to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(4,477,679)
Total General Fund expenditures as reported in the statement of revenues, expenditures, and changes in fund balance - governmental funds	$	19,479,820

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures did not exceed appropriations in the General Fund and Housing in Lieu Fund.

NOTE 3: SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contribution is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

NOTE 4: SCHEUDLE OF PLAN CONTRIBUTIONS

Change in Benefit Terms. There were no changes to benefit terms that applies to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities.

Change in Assumptions. In 2018, amounts reported reflect an adjustment of the discount rate, but remained the same at 7.15% in 2019. There were no changes in assumptions for the June 30, 2017 measurement date. In 2016, amounts reported reflect adjustment of the discounted rate remained the same 7.65%. In 2014, amounts reported were based upon the 7.5% discount rate.

Supplementary Information Section

NON-MAJOR GOVERNMENTAL FUNDS

The City maintains the following non-major governmental funds:

Special Revenue Funds:

State Gas Tax Fund is used to account for revenues allocated by the State of California and restricted as to use for only street and highway purposes.

Local Transportation Streets Fund is used to account for revenues allocated under the Transportation Development Act and restricted in use for street related purposes.

Public Education Grant (PEG) Fund is used to account for fees collected from cable television operators in the City limits that are set aside for Government cable access.

Noncapital Grants Fund is used to account for specific grant revenues allocated to the City for operational programs and activities.

Local Business Improvement Fund is used to account for monies raised to promote City lodging businesses.

Chapman House Estate Fund is used to account for the fees collected and maintenance costs for the Chapman Estate.

Capital Project Funds:

Public Facilities Fund is used to account for resources restricted for the financing of improvements to public facilities.

Park Development Fund is used to account for the financing of major improvements to City parks and related facilities.

Circulation Improvement Fund is used to account for impact fees to be used for major improvements to the City's street and highway infrastructures.

Impact Fees Fund is used to account for impact fees restricted for use in making major capital improvements to difference types of City facilities.

Developer Impact Fees Fund is used to account for impact fees to be used for specific development related capital projects.

Underground Utilities Fund is used to account for fees collected from developers for the purpose of converting overhead utilities to underground utilities.

Debt Service Funds

City of Pismo Beach Public Financing Agency is used to account for the accumulation of monies for payment of principal and interest on the 2017 Lease Revenue Bonds. As there was no activity in this fund in the current year other than issuance of bonds, all activity was shown in the General Fund so therefore; this fund is not included in the nonmajor governmental fund financial statements.

Indio/El Portal Assessment District, Visalia Assessment District, and Reassessment Districts Funds are used to account for special assessments levied and collected for payment of principal and interest on assessment bonds.

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City of Pismo Beach, California
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2019

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
ASSETS				
Cash and Investments	$ 24,938	$ 20,024	$ 115,705	$ 377,710
Cash and Investments with Fiscal Agent				
Taxes Receivable				
Accounts Receivable			9,222	
Due from Other Governments	26,945			
Accrued Interest Receivable	494	203	675	2,315
Total Assets	$ 52,377	$ 20,227	$ 125,602	$ 380,025
LIABILITIES				
Accounts Payable	$	$	$ 372	$
Accrued Liabilities				
Deposits				
Total Liabilities	-	-	372	-
FUND BALANCES				
Restricted for:				
Capital Project Funding				
Streets and Highways	52,377	20,227		
Community Development			125,230	
Community Business Promotion				
Park Development				
Public Safety				186,015
Debt Service				
Committed for:				
Capital Projects				194,010
Assigned for:				
Capital Projects				
Total Fund Balances	52,377	20,227	125,230	380,025
Total Liabilities and Fund Balances	$ 52,377	$ 20,227	$ 125,602	$ 380,025

Special Revenue Funds			Capital Projects Funds		
Local Business Improvement	Chapman House Estate	Public Facilities	Park Development	Circulation Improvement	
$ 756,115	$ 43,514	$ 845	$ 847,421	$ 497,941	
231,217					
	66				
3,512	258	5	5,620	3,116	
$ 990,844	$ 43,838	$ 850	$ 853,041	$ 501,057	
$ 217,632	$ 1,578	$	$ 190,831	$ 7,573	
713	125				
218,345	1,703	-	190,831	7,573	
				493,484	
	42,135				
264,741					
			295,110		
507,758					
		850	367,100		
772,499	42,135	850	662,210	493,484	
$ 990,844	$ 43,838	$ 850	$ 853,041	$ 501,057	

Continued

City of Pismo Beach, California
Combining Balance Sheet - Continued
Non-major Governmental Funds
June 30, 2019

	Capital Project Funds			Debt Service Funds
	Impact Fees	Developer Impact Fees	Underground Utilities	City of Pismo Beach Public Financing Agency
ASSETS				
Cash and Investments	$ 735,155	$ 160,947	$ 15,912	$
Cash and Investments with Fiscal Agent				384,989
Taxes Receivable				
Accounts Receivable				
Due from Other Governments				
Accrued Interest Receivable	3,314	872	86	
Total Assets	$ 738,469	$ 161,819	$ 15,998	$ 384,989
LIABILITIES				
Accounts Payable	$	$	$	$
Accrued Liabilities				
Deposits		99,423		
Total Liabilities	-	99,423	-	-
FUND BALANCES				
Restricted for:				
Capital Project Funding	380,932	62,396	15,998	
Streets and Highways				
Community Development				
Community Business Promotion				
Park Development				
Public Safety				
Debt Service				384,989
Committed for:				
Capital Projects	357,537			
Assigned for:				
Capital Projects				
Total Fund Balances	738,469	62,396	15,998	384,989
Total Liabilities and Fund Balances	$ 738,469	$ 161,819	$ 15,998	$ 384,989

Debt Service Funds				
Indio / El Portal Assessment District	Visalia Assessment District	Reassessment District		Total Non-major Governmental Funds
$ 658	$ 97,329	$ 12,992	$	3,707,206
				384,989
				231,217
				9,288
				26,945
4	527	70		21,071
$ 662	$ 97,856	$ 13,062	$	4,380,716
$	$	$	$	417,986
				838
				99,423
-	-	-		518,247
				459,326
				566,088
				167,365
				264,741
				295,110
				186,015
662	97,856	13,062		496,569
				1,059,305
				367,950
662	97,856	13,062		3,862,469
$ 662	$ 97,856	$ 13,062	$	4,380,716

City of Pismo Beach, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2019

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
REVENUES				
Subventions and Grants	$ 330,888	$ 168,386	$ 37,363	$ 148,747
Charges for Services				
Special Assessments				
Miscellaneous		2,500		
Investment Earnings	13,161	9,681	4,976	14,900
Total Revenues	344,049	180,567	42,339	163,647
EXPENDITURES				
Current:				
General Government				
Highways and Streets		1,871		
Community Services			1,077	
Housing				
Capital Outlay			47,533	
Debt Service:				
Principal				
Interest and Fiscal Charges				
Total Expenditures	-	1,871	48,610	-
Excess (Deficiency) of Revenues Over Expenditures	344,049	178,696	(6,271)	163,647
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	(636,950)	(441,365)	(8,778)	(79,781)
Total Other Financing Sources (Uses)	(636,950)	(441,365)	(8,778)	(79,781)
Net Change in Fund Balances	(292,901)	(262,669)	(15,049)	83,866
Fund Balance, Beginning of Year	345,278	282,896	140,279	296,159
Fund Balance, End of Year	$ 52,377	$ 20,227	$ 125,230	$ 380,025

Special Revenue Funds		Capital Projects Funds		
Local Business Improvement	Chapman House Estate	Public Facilities	Park Development	Circulation Improvement
$	$	$	$	$
	901		38,023	
1,515,633				
17,966	16,620			
19,363	2,494	32	57,973	23,518
1,552,962	20,015	32	95,996	23,518
1,072,533				
			4,068	151
	31,535			
			1,032,656	21,275
1,072,533	31,535	-	1,036,724	21,426
480,429	(11,520)	32	(940,728)	2,092
				4,421
(8,246)				(115,913)
(8,246)	-	-	-	(111,492)
472,183	(11,520)	32	(940,728)	(109,400)
300,316	53,655	818	1,602,938	602,884
$ 772,499	$ 42,135	$ 850	$ 662,210	$ 493,484

City of Pismo Beach, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Non-major Governmental Funds
Year Ended June 30, 2019

	Special Revenue Funds			Debt Service Funds
	Impact Fees	Development Impact Fees	Underground Utility	City of Pismo Beach Public Financing Agency
REVENUES				
Subventions and Grants	$	$	$	$
Charges for Services	221,899			
Special Assessments				
Miscellaneous	2,500			
Investment Earnings	34,052	6,072	600	29,812
Total Revenues	258,451	6,072	600	29,812
EXPENDITURES				
Current:				
General Government				
Highways and Streets				
Community Services	20,273			
Housing				
Capital Outlay				
Debt Service:				
Principal				257,074
Interest and Fiscal Charges				443,751
Total Expenditures	20,273	-	-	700,825
Excess (Deficiency) of Revenues (Under) Over Expenditures	238,178	6,072	600	(671,013)
OTHER FINANCING SOURCES (USES)				
Transfers In				702,470
Transfers Out	(357,143)			(2,850,339)
Total Other Financing Sources (Uses)	(357,143)	-	-	(2,147,869)
Net Change in Fund Balances	(118,965)	6,072	600	(2,818,882)
Fund Balance, Beginning of Year	857,434	56,324	15,398	3,203,871
Fund Balance, End of Year	$ 738,469	$ 62,396	$ 15,998	$ 384,989

Debt Service Funds			
Indio / El Portal Assessment District	Visalia Assessment District	Reassessment District	Total Non-major Governmental Funds
$	$	$	$ 685,384
			260,823
			1,515,633
			39,586
25	3,672	489	220,820
25	3,672	489	2,722,246
			1,072,533
			1,871
			25,569
			31,535
			1,101,464
			257,074
			443,751
-	-	-	2,933,797
25	3,672	489	(211,551)
			706,891
			(4,498,515)
-	-	-	(3,791,624)
25	3,672	489	(4,003,175)
637	94,184	12,573	7,865,644
$ 662	$ 97,856	$ 13,062	$ 3,862,469

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$	$ 3,445,355	$ 1,673,220	$ (1,772,135)
Miscellaneous		1,785,094	469,329	(1,315,765)
Total Revenues	-	5,230,449	2,142,549	(3,087,900)
EXPENDITURES				
Current:				
Highways and Streets		448,183	59,458	388,725
Capital Outlay		17,052,503	5,851,087	11,201,416
Total Expenditures	-	17,500,686	5,910,545	11,590,141
Excess (Deficiency) of Revenues over Expenditures	-	(12,270,237)	(3,767,996)	8,502,241
OTHER FINANCING SOURCES (USES)				
Transfers In		12,555,600	4,523,015	(8,032,585)
Transfers Out		(64,086)	(64,086)	-
Total Other Financing Sources (Uses)	-	12,491,514	4,458,929	(8,032,585)
Net Change in Fund Balances	-	221,277	690,933	469,656
Fund Balance, Beginning of Year	176,407	176,407	176,407	-
Fund Balance, End of Year	$ 176,407	$ 397,684	$ 867,340	$ 469,656

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - State Gas Tax Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 330,422	$ 330,422	$ 330,888	$ 466
Investment Earnings	1,800	1,800	13,161	11,361
Total Revenues	332,222	332,222	344,049	11,827
OTHER FINANCING SOURCES (USES)				
Transfers Out	(140,000)	(637,425)	(636,950)	475
Total Other Financing Sources (Uses)	(140,000)	(637,425)	(636,950)	475
Net Change in Fund Balances	192,222	(305,203)	(292,901)	12,302
Fund Balance, Beginning of Year	345,278	345,278	345,278	-
Fund Balance, End of Year	$ 537,500	$ 40,075	$ 52,377	$ 12,302

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Transportation Streets Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Intergovernmental	$ 166,000	$ 166,000	$ 168,386	$ 2,386
Miscellaneous	2,500	2,500	2,500	-
Investment Earnings	2,500	2,500	9,681	7,181
Total Revenues	171,000	171,000	180,567	9,567
EXPENDITURES				
Current:				
Highways and Streets	9,554	9,554	1,871	7,683
Total Expenditures	9,554	9,554	1,871	7,683
Excess (Deficiency) of Revenues over Expenditures	161,446	161,446	178,696	17,250
OTHER FINANCING SOURCES (USES)				
Transfers Out		(441,539)	(441,365)	174
Total Other Financing Sources (Uses)	-	(441,539)	(441,365)	174
Net Change in Fund Balances	161,446	(280,093)	(262,669)	17,424
Fund Balance, Beginning of Year	282,896	282,896	282,896	-
Fund Balance, End of Year	$ 444,342	$ 2,803	$ 20,227	$ 17,424

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Education Grant Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 25,000	$ 25,000	$ 37,363	$ 12,363
Investment Earnings	260	260	4,976	4,716
Total Revenues	25,260	25,260	42,339	17,079
EXPENDITURES				
Current:				
Community Services		1,077	1,077	-
Capital Outlay		47,533	47,533	-
Total Expenditures	-	48,610	48,610	-
Excess (Deficiency) of Revenues over Expenditures	25,260	(23,350)	(6,271)	17,079
OTHER FINANCING SOURCES (USES)				
Transfers Out		(15,267)	(8,778)	6,489
Total Other Financing Sources (Uses)	-	(15,267)	(8,778)	6,489
Net Change in Fund Balances	25,260	(38,617)	(15,049)	23,568
Fund Balance, Beginning of Year	140,279	140,279	140,279	-
Fund Balance, End of Year	$ 165,539	$ 101,662	$ 125,230	$ 23,568

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Noncapital Grants Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 100,000	$ 148,747	$ 148,747	$ -
Investment Earnings	520	520	14,900	14,380
Total Revenues	100,520	149,267	163,647	14,380
EXPENDITURES				
Current:				
Public Safety				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	100,520	149,267	163,647	14,380
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(300,000)	(79,781)	220,219
Total Other Financing Sources (Uses)	(100,000)	(300,000)	(79,781)	220,219
Net Change in Fund Balances	520	(150,733)	83,866	234,599
Fund Balance, Beginning of Year	296,159	296,159	296,159	-
Fund Balance, End of Year	$ 296,679	$ 145,426	$ 380,025	$ 234,599

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Local Business Improvement Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Special Assessments	$ 1,027,288	$ 1,495,918	$ 1,515,633	$ 19,715
Miscellaneous		17,966	17,966	-
Investment Earnings	1,400	1,400	19,363	17,963
Total Revenues	1,028,688	1,515,284	1,552,962	37,678
EXPENDITURES				
Current:				
General Government	1,091,296	1,169,336	1,072,533	96,803
Total Expenditures	1,091,296	1,169,336	1,072,533	96,803
Excess (Deficiency) of Revenues over Expenditures	(62,608)	345,948	480,429	134,481
OTHER FINANCING SOURCES (USES)				
Transfers Out		(461,130)	(8,246)	452,884
Total Other Financing Sources (Uses)	-	(461,130)	(8,246)	452,884
Net Change in Fund Balances	(62,608)	(115,182)	472,183	587,365
Fund Balance, Beginning of Year	300,316	300,316	300,316	-
Fund Balance, End of Year	$ 237,708	$ 185,134	$ 772,499	$ 587,365

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Chapman House Estate Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Charges for Services	$ 1,200	$ 1,200	$ 901	$ (299)
Miscellaneous	101,000	14,425	16,620	2,195
Investment Earnings	500	500	2,494	1,994
Total Revenues	102,700	16,125	20,015	3,890
EXPENDITURES				
Current:				
Housing	99,684	73,204	31,535	41,669
Total Expenditures	99,684	73,204	31,535	41,669
Excess (Deficiency) of Revenues over Expenditures	3,016	(57,079)	(11,520)	45,559
Fund Balance, Beginning of Year	53,655	53,655	53,655	-
Fund Balance, End of Year	$ 56,671	$ (3,424)	$ 42,135	$ 45,559

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Facilities Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 32	$ 32
Total Revenues	-	-	32	32
Excess (Deficiency) of Revenues over Expenditures	-	-	32	32
Net Change in Fund Balances	-	-	32	32
Fund Balance, Beginning of Year	818	818	818	-
Fund Balance, End of Year	$ 818	$ 818	$ 850	$ -

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Development Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Charges for Services	$ 30,000	$ 30,000	$ 38,023	$ 8,023
Investment Earnings			57,973	57,973
Total Revenues	30,000	30,000	95,996	65,996
EXPENDITURES				
Current:				
Community Services	4,066	33,254	4,068	29,186
Capital Outlay		1,581,067	1,032,656	548,411
Total Expenditures	4,066	1,614,321	1,036,724	577,597
Excess (Deficiency) of Revenues over Expenditures	25,934	(1,584,321)	(940,728)	643,593
OTHER FINANCING SOURCES (USES)				
Transfers Out		(2,210)		2,210
Total Other Financing Sources (Uses)	-	(2,210)	-	2,210
Net Change in Fund Balances	25,934	(1,586,531)	(940,728)	645,803
Fund Balance, Beginning of Year	1,602,938	1,602,938	1,602,938	-
Fund Balance, End of Year	$ 1,628,872	$ 16,407	$ 662,210	$ 645,803

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Circulation Improvement Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 23,518	$ 23,518
Total Revenues	-	-	23,518	23,518
EXPENDITURES				
Current:				
Community Services		151	151	-
Capital Outlay		148,695	21,275	127,420
Total Expenditures	-	148,846	21,426	127,420
Excess (Deficiency) of Revenues over Expenditures	-	(148,846)	2,092	150,938
OTHER FINANCING SOURCES (USES)				
Transfers In			4,421	4,421
Transfers Out		(375,000)	(115,913)	259,087
Total Other Financing Sources (Uses)	-	(375,000)	(111,492)	263,508
Net Change in Fund Balances	-	(523,846)	(109,400)	414,446
Fund Balance, Beginning of Year	602,884	602,884	602,884	-
Fund Balance, End of Year	$ 602,884	$ 79,038	$ 493,484	$ 414,446

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Impact Fees Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Charges for Services	$	$	$ 221,899	$ 221,899
Miscellaneous		2,500	2,500	-
Investment Earnings	6,500	6,500	34,052	27,552
Total Revenues	6,500	9,000	258,451	249,451
EXPENDITURES				
Current:				
Community Services	1,166	145,286	20,273	125,013
Total Expenditures	1,166	145,286	20,273	125,013
Excess (Deficiency) of Revenues over Expenditures	5,334	(136,286)	238,178	374,464
OTHER FINANCING SOURCES (USES)				
Transfers Out		(352,722)	(357,143)	(4,421)
Total Other Financing Sources (Uses)	-	(352,722)	(357,143)	(4,421)
Net Change in Fund Balances	5,334	(489,008)	(118,965)	370,043
Fund Balance, Beginning of Year	857,434	857,434	857,434	-
Fund Balance, End of Year	$ 862,768	$ 368,426	$ 738,469	$ 370,043

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Developer Impact Fees Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 6,072	$ 6,072
Total Revenues	-	-	6,072	6,072
EXPENDITURES				
Current:				
Community Services				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	6,072	6,072
Net Change in Fund Balances	-	-	6,072	6,072
Fund Balance, Beginning of Year	56,324	56,324	56,324	-
Fund Balance, End of Year	$ 56,324	$ 56,324	$ 62,396	$ 6,072

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Underground Utility Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 600	$ 600
Total Revenues	-	-	600	600
Excess (Deficiency) of Revenues over Expenditures	-	-	600	600
Net Change in Fund Balances	-	-	600	600
Fund Balance, Beginning of Year	15,398	15,398	15,398	-
Fund Balance, End of Year	$ 15,398	$ 15,398	$ 15,998	$ 600

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - City of Pismo Beach Public Financing Agency Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 29,812	$ 29,812
Total Revenues	-	-	29,812	29,812
EXPENDITURES				
Debt Service:				
Principal		257,075	257,074	1
Interest and Fiscal Charges		443,751	443,751	-
Total Expenditures	-	700,826	700,825	1
Excess (Deficiency) of Revenues over Expenditures	-	(700,826)	(671,013)	29,813
OTHER FINANCING SOURCES (USES)				
Transfers In		1,403,395	702,470	(700,925)
Transfers Out		(3,281,954)	(2,850,339)	431,615
Total Other Financing Sources (Uses)	-	(1,878,559)	(2,147,869)	(269,310)
Net Change in Fund Balances	-	(2,579,385)	(2,818,882)	(239,497)
Fund Balance, Beginning of Year	3,203,871	3,203,871	3,203,871	-
Fund Balance, End of Year	$ 3,203,871	$ 624,486	$ 384,989	$ (239,497)

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Indio/El Portal Assessment District Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ -	$ -	$ 25	$ 25
Total Revenues	-	-	25	25
OTHER FINANCING SOURCES (USES)				
Transfers Out				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	25	25
Fund Balance, Beginning of Year	637	637	637	-
Fund Balance, End of Year	$ 637	$ 637	$ 662	$ 25

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Visalia Assessment District Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 3,672	$ 3,672
Total Revenues	-	-	3,672	3,672
OTHER FINANCING SOURCES (USES)				
Transfers Out		(85,000)		85,000
Total Other Financing Sources (Uses)	-	(85,000)	-	85,000
Net Change in Fund Balances	-	(85,000)	3,672	88,672
Fund Balance, Beginning of Year	94,184	94,184	94,184	-
Fund Balance, End of Year	$ 94,184	$ 9,184	$ 97,856	$ 88,672

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Reassessment District Fund
Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 489	$ 489
Total Revenues	-	-	489	489
OTHER FINANCING SOURCES (USES)				
Transfers Out				
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	-	489	489
Fund Balance, Beginning of Year	12,573	12,573	12,573	-
Fund Balance, End of Year	$ 12,573	$ 12,573	$ 13,062	$ 489

NON-MAJOR PROPRIETARY FUNDS

Transit Fund is used to account for financial operations of the City's subsidized transit system.

Parking Fund is used to account for parking revenues, downtown parking pay stations and metering equipment, and related maintenance and operations.

City of Pismo Beach, California
Combining Statement of Fund Net Position
Non-major Proprietary Funds
June 30, 2019

	Enterprise		Total Non-major Enterprise Funds
	Transit	Parking	
ASSETS			
Current Assets:			
Cash and Investments	$ 12,154	$ 2,729,697	$ 2,741,851
Accounts Receivable		47,696	47,696
Accrued Interest Receivable	67	9,051	9,118
Total Current Assets	12,221	2,786,444	2,798,665
Capital Assets:			
Equipment		721,854	721,854
Total Capital Assets		721,854	721,854
Less Accumulated Depreciation		(56,904)	(56,904)
Capital Assets, Net of Accumulated Depreciation	-	664,950	664,950
Total Assets	12,221	3,451,394	3,463,615
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related		87,624	87,624
OPEB Related		19,688	19,688
Total Deferred Outflows of Resources	-	107,312	107,312
LIABILITIES			
Current Liabilities:			
Accounts Payable	338	10,663	11,001
Accrued Liabilities		4,001	4,001
Current Portion of Compensated Absences		2,247	2,247
Total Current Liabilities	338	16,911	17,249
Noncurrent Liabilities:			
Compensated Absences, Net of Current Portion		6,741	6,741
Net Pension Liability		274,769	274,769
Net Pension OPEB		59,343	59,343
Total Noncurrent Liabilities	-	340,853	340,853
Total Liabilities	338	357,764	358,102
DEFERRED INFLOWS OF RESOURCES			
Pension Related		28,122	28,122
OPEB Related		2,266	2,266
Total Deferred Inflows of Resources	-	30,388	30,388
NET POSITION			
Net Investment in Capital Assets		664,950	664,950
Unrestricted	11,883	2,505,604	2,517,487
Total Net Position	$ 11,883	$ 3,170,554	$ 3,182,437

City of Pismo Beach, California
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-major Proprietary Funds
Year Ended June 30, 2019

	Enterprise		Total Non-major Enterprise Funds
	Transit	Parking	
OPERATING REVENUES			
Service Fees	$	$ 1,141,111	$ 1,141,111
Miscellaneous		1,031	1,031
Total Operating Revenues	-	1,142,142	1,142,142
OPERATING EXPENSES			
Salaries and Benefits		364,967	364,967
Services and Supplies	2,460	267,903	270,363
Depreciation and Amortization		49,579	49,579
Total Operating Expenses	2,460	682,449	684,909
Operating Income	(2,460)	459,693	457,233
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	548	94,263	94,811
Total Nonoperating Revenues (Expenses)	548	94,263	94,811
Change in Net Position	(1,912)	553,956	552,044
Total Net Position - Beginning of Year	13,795	2,616,598	2,630,393
Total Net Position - End of Year	$ 11,883	$ 3,170,554	$ 3,182,437

City of Pismo Beach, California
Combining Statement of Cash Flows
Non-major Proprietary Funds
Year Ended June 30, 2019

	Enterprise		Total Non-major Enterprise Funds
	Transit	Parking	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	$	$ 1,144,993	$ 1,144,993
Payments to Suppliers for Goods and Services	(5,008)	(389,641)	(394,649)
Payments to Employees for Wages and Benefits		(252,025)	(252,025)
Net Cash Provided by (Used for) Operating Activities	(5,008)	503,327	498,319
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to Other Funds			-
Net Cash Provided by (Used for) Noncapital Financing	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of Capital Assets		(42,575)	(42,575)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(42,575)	(42,575)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	541	90,526	91,067
Net Cash Provided by (Used for) Investing Activities	541	90,526	91,067
Net Change in Cash and Cash Equivalents	(4,467)	551,278	546,811
Cash and Cash Equivalents - Beginning of Year	16,621	2,178,419	2,195,040
Cash and Cash Equivalents - End of Year	$ 12,154	$ 2,729,697	$ 2,741,851

City of Pismo Beach, California
Combining Statement of Cash Flows - Continued
Non-major Proprietary Funds
Year Ended June 30, 2019

	Enterprise		Total Non-major Enterprise Funds
	Transit	Parking	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$ (2,460)	$ 459,693	$ 457,233
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and Amortization		49,579	49,579
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivables		2,851	2,851
Deferred Outflows of Resources - Pensions		1,350	1,350
Deferred Outflows of Resources - OPEB		(16,051)	(16,051)
Accounts Payable	(2,548)	(121,738)	(124,286)
Accrued Liabilities		(7,599)	(7,599)
Compensated Absences		1,643	1,643
Net Pension Liability		61,369	61,369
Net OPEB Liability		45,951	45,951
Deferred Inflows of Resources - Pensions		24,426	24,426
Deferred Inflows of Resources - OPEB		1,853	1,853
Net Cash Provided by Operating Activities	$ (5,008)	$ 503,327	$ 498,319

INTERNAL SERVICE FUNDS

The City maintains the following Internal Service Funds:

Technology Service Fund accounts for the City's information technology including hardware, software and related infrastructure within the City.

Motor Vehicle Fund accounts for the maintenance of the vehicular fleet and equipment utilized by all departments within the City.

City of Pismo Beach, California
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Technology Service Fund	Motor Vehicle Fund	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 3,303	$ 3,610,610	$ 3,613,913
Accounts Receivable		87,350	87,350
Accrued Interest Receivable		2,963	2,963
Prepayments	5,907		5,907
Total Current Assets	9,210	3,700,923	3,710,133
Capital Assets:			
Vehicles		5,465,365	5,465,365
Equipment	183,022	384,417	567,439
Total Capital Assets	183,022	5,849,782	6,032,804
Less Accumulated Depreciation	(54,619)	(3,506,674)	(3,561,293)
Capital Assets, Net of Accumulated Depreciation	128,403	2,343,108	2,471,511
Total Assets	137,613	6,044,031	6,181,644
LIABILITIES			
Current Liabilities:			
Accounts Payable	3,649	24,695	28,344
Accrued Liabilities	3,147	2,105	5,252
Current Portion of Compensated Absences	636	1,268	1,904
Total Current Liabilities	7,432	28,068	35,500
Noncurrent Liabilities			
Compensated Absences, Net of Current Portion	1,910	3,805	5,715
Total Noncurrent Liabilities	1,910	3,805	5,715
Total Liabilities	9,342	31,873	41,215
NET POSITION			
Net Investment in Capital Assets	128,403	2,343,108	2,471,511
Unrestricted	(132)	3,669,050	3,668,918
Total Net Position	$ 128,271	$ 6,012,158	$ 6,140,429

City of Pismo Beach, California
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2019

	Technology Service Fund	Motor Vehicle Fund	Total
OPERATING REVENUES			
Service Fees	$ 668,240	$ 496,581	$ 1,164,821
Miscellaneous	57		57
Total Operating Revenues	668,297	496,581	1,164,878
OPERATING EXPENSES			
Salaries and Benefits	148,090	128,191	276,281
Services and Supplies	558,165	429,500	987,665
Depreciation and Amortization	31,169	402,761	433,930
Total Operating Expenses	737,424	960,452	1,697,876
Operating Income (Loss)	(69,127)	(463,871)	(532,998)
NON-OPERATING REVENUES (EXPENSES)			
Grant Revenues		87,350	87,350
Investment Earnings	933	177,867	178,800
Gain (Loss) on Disposal of Capital Assets		13,931	13,931
Total Non-operating Revenues (Expenses)	933	279,148	280,081
Net Income Before Transfers	(68,194)	(184,723)	(252,917)
TRANSFERS			
Transfers In	101,899	503,360	605,259
Transfers Out		(126,710)	(126,710)
Total Transfers	101,899	376,650	478,549
Change in Net Position	33,705	191,927	225,632
Total Net Position - Beginning of Year	94,566	5,820,231	5,914,797
Total Net Position - End of Year	$ 128,271	$ 6,012,158	$ 6,140,429

City of Pismo Beach, California
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2019

	Internal Service Funds		
	Technology Service Fund	Motor Vehicle Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Other Funds for Services	$ 668,297	$ 409,231	$ 1,077,528
Payments to Suppliers for Goods and Services	(627,800)	(497,773)	(1,125,573)
Payments to Employees for Wages and Benefits	(147,539)	(128,077)	(275,616)
Net Cash Provided by (Used for) Operating Activities	(107,042)	(216,619)	(323,661)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers from Other Funds	101,899	376,650	478,549
Net Cash Provided by (Used for) Noncapital Financing	101,899	376,650	478,549
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of Capital Assets	(63,884)	(280,752)	(344,636)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(63,884)	(280,752)	(344,636)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	1,119	179,016	180,135
Net Cash Provided by (Used for) Investing Activities	1,119	179,016	180,135
Net Change in Cash and Cash Equivalents	(67,908)	58,295	(9,613)
Cash and Cash Equivalents - Beginning of Year	71,211	3,552,315	3,623,526
Cash and Cash Equivalents - End of Year	$ 3,303	$ 3,610,610	$ 3,613,913

City of Pismo Beach, California
Combining Statement of Cash Flows - Continued
Internal Service Funds
Year Ended June 30, 2019

	Enterprise		Total Nonmajor Enterprise Funds
	Transit	Parking	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$ (69,127)	$ (463,871)	$ (532,998)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and Amortization	31,169	402,761	433,930
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivables		(87,350)	(87,350)
Prepayments	(5,907)		(5,907)
Accounts Payable	(63,728)	(68,273)	(132,001)
Accrued Liabilities	367	82	449
Compensated Absences	184	32	216
Net Cash Provided by Operating Activities	$ (107,042)	$ (216,619)	$ (323,661)

City of Pismo Beach, California
Comparative Schedule of Capital Assets
By Source
June 30, 2019

	2019	2018
Capital Assets Used in Governmental Activities:		
Land	$ 7,348,795	$ 7,348,795
Buildings	5,531,963	5,531,963
Improvements	10,433,051	10,319,710
Equipment	3,417,887	3,280,047
Vehicles - Internal Service	5,465,365	5,256,173
Infrastructure - Street System:		
Right of Way	5,068,528	5,068,528
Pavement System	50,369,295	48,864,234
Medians	73,232	73,232
Curbs and Gutters	521,095	521,095
Sidewalks	1,499,005	313,961
Traffic Signals	415,408	415,408
Street Lights	1,212,168	1,212,168
Highway 101 Interchange	2,726,215	2,726,215
Bridges	26,829	26,829
Infrastructure - Beach Stairways	313,194	313,194
Infrastructure - Bluff Erosion	660,407	660,407
Construction In Progress	8,051,515	2,489,946
Total Capital Assets Used in Governmental Activities	$ 103,133,952	$ 94,421,905
Investment in Capital Assets from:		
General Fund	$ 2,469,590	$ 2,465,524
Contributions from Developers	12,619,441	11,114,380
Special Revenue Funds	3,890,760	3,864,681
Internal Service Fund	5,844,287	5,527,398
Capital Projects Fund	78,309,874	71,449,922
Total Investment in Capital Assets Used in Governmental Activities	$ 103,133,952	$ 94,421,905

City of Pismo Beach, California
Schedule of Changes in Capital Assets
By Source
June 30, 2019

	Right of Way and Land	Infrastructure	Buildings	Equipment, Vehicles, Improvements, and CIP	Total Cost
Governmental Capital Assets					
June 30, 2018	$ 12,417,323	$ 55,126,743	$ 5,531,963	$ 21,345,876	$ 94,421,905
Add:					
Expenditures from:					
Capital Projects		2,690,105		6,894,445	9,584,550
Internal Service				445,916	445,916
Deduct:					
Retired / Transferred				(1,318,419)	(1,318,419)
Governmental Capital Assets					
June 30, 2019	$ 12,417,323	$ 57,816,848	$ 5,531,963	$ 27,367,818	$ 103,133,952

City of Pismo Beach, California
Schedule of Capital Assets
By Function and Activity
June 30, 2019

Function and Activity	Right of Way and Land	Infrastructure	Buildings	Equipment, Vehicles, Improvements, and CIP	Total Cost
General Government:					
General Operations	$ 319,942	$	$ 1,747,590	$ 2,236,004	$ 4,303,536
Public Safety	5,566		2,844,973	3,768,114	6,618,653
Parks and Recreation	4,376,379		939,400	8,651,099	13,966,878
Street System and CIP	5,460,029	53,334,157		12,678,381	71,472,567
Community Development				34,220	34,220
Beach Stairway		4,482,691			4,482,691
Open Space	2,255,407				2,255,407
Total Capital Assets	$ 12,417,323	$ 57,816,848	$ 5,531,963	$ 27,367,818	$ 103,133,952

City of Pismo Beach, California
Schedule of Changes in Capital Assets
By Function and Activity
June 30, 2019

Function and Activity	Beginning Balance	Additions	Transfers / Deductions	Ending Balance
General Government:				
General Operations	$ 4,051,604	$ 270,087	$ (82,039)	$ 4,239,652
Public Safety	6,523,552	210,320	(51,335)	6,682,537
Parks and Recreation	12,944,218	113,340		13,057,558
Streets and CIP	64,130,213	9,436,719	(1,185,045)	72,381,887
Community Development	34,220			34,220
Beach Stairway	4,482,691			4,482,691
Open Space	2,255,407			2,255,407
Total Capital Assets	$ 94,421,905	$ 10,030,466	$ (1,318,419)	$ 103,133,952

City of Pismo Beach, California
Statement of Changes in Assets and Liabilities
San Luis Obispo County Tourism Fund
June 30, 2019

	Beginning Balance	Additions	Transfers / Deductions	Ending Balance
ASSETS				
Cash and Cash Equivalents	$ 83,166	$ 1,046,811	$ (1,043,952)	$ 86,025
Accounts Receivable	114,608	130,441	(129,340)	115,709
Total Assets	$ 197,774	$ 1,177,252	$ (1,173,292)	$ 201,734
LIABILITIES				
Due to Other Governmental Agencies	$ 197,774	$ 2,108,690	$ (2,104,730)	$ 201,734
Total Liabilities	$ 197,774	$ 2,108,690	$ (2,104,730)	$ 201,734

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Statistical Section

City of Pismo Beach
Statistical Section - Overview
June 30, 2019

This part of the City of Pismo Beach comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends - Schedules 1-4

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

Revenue Capacity - Schedules 5-8F

These schedules contain information to help the reader assess the City's most significant local revenue source, the revenues realized from the local transient occupancy tax. The City has also elected to provide revenue capacity information about property tax revenues, sales tax revenues, water enterprise revenues, and service fees of its wastewater enterprise.

Debt Capacity - Schedules 9-13

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

Demographic and Economic Information - Schedules 14-16

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

Operating Information - Schedules 17-18

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

Bond Issue Continuing Disclosure Information - Schedules 19-22

These schedules contain continuing disclosure information for bond issuance.

Schedule 1
City of Pismo Beach
Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
For Fiscal Ended June 30

	2010	2011	2012	2013	2014
Governmental activities:					
Net investment in capital assets	$ 44,259,898	$ 42,143,882	$ 41,532,098	$ 41,657,581	$ 40,197,149
Restricted	5,552,350	5,502,365	4,580,838	3,157,166	4,861,886
Unrestricted	9,844,952	12,818,923	14,033,568	15,577,727	18,566,914
Total governmental activities net position	$ 59,657,200	$ 60,465,170	$ 60,146,504	$ 60,392,474	$ 63,625,949
Business-type activities:					
Net investment in capital assets	$ 14,846,635	$ 14,555,227	$ 14,168,786	$ 18,715,142	$ 18,963,130
Restricted	996,529	1,006,954	1,046,950	979,157	482,957
Unrestricted	9,635,848	10,172,270	11,754,782	9,608,168	11,634,062
Total business-type activities net position	$ 25,479,012	$ 25,734,451	$ 26,970,518	$ 29,302,467	$ 31,080,149
Primary government (City wide totals):					
Net investment in capital assets	$ 59,106,533	$ 56,699,109	$ 55,700,884	$ 60,372,723	$ 59,160,279
Restricted	6,548,879	6,509,319	5,627,788	4,136,323	5,344,843
Unrestricted	19,480,800	22,991,193	25,788,350	25,185,895	30,200,976
Total primary government net position	$ 85,136,212	$ 86,199,621	$ 87,117,022	$ 89,694,941	$ 94,706,098

Note:
FY 2015 balances were adjusted for a prior year restatement recorded in FY 2016.

2015	2016	2017	2018	2019
$ 39,251,227	$ 40,900,410	$ 42,378,253	$ 37,034,179	$ 43,356,000
4,184,820	6,702,558	8,284,649	7,953,098	5,980,066
10,069,411	14,455,616	10,904,295	19,502,567	20,263,916
$ 53,505,458	$ 62,058,584	$ 61,567,197	$ 64,489,844	$ 69,599,982
$ 20,129,677	$ 20,011,697	$ 22,281,718	$ 29,967,919	$ 35,565,718
1,501,066	1,989,793	763,188	7,396,315	3,485,309
12,561,208	14,105,083	23,790,177	12,917,394	16,783,439
$ 34,191,951	$ 36,106,573	$ 46,835,083	$ 50,281,628	$ 55,834,466
$ 59,380,904	$ 60,912,107	$ 64,659,971	$ 67,002,098	$ 78,921,718
5,685,886	8,692,351	9,047,837	15,349,413	9,465,375
22,630,619	28,560,699	34,694,472	32,419,961	37,047,355
$ 87,697,409	$ 98,165,157	$ 108,402,280	$ 114,771,472	$ 125,434,448

Schedule 2
City of Pismo Beach
Changes in Net Position, Last Ten Fiscal Years
(Accrual Basis of Accounting)
For Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Expenses:					
Governmental activities:					
General government	$ 4,572,394	$ 4,599,550	$ 5,510,343	$ 6,053,693	$ 5,860,017
Police	4,370,052	5,015,781	5,220,437	5,276,282	4,949,673
Fire	1,749,148	1,674,882	1,697,174	1,743,101	2,020,895
Public works	756,867	1,059,384	860,974	1,863,593	1,870,369
Streets	1,965,141	2,505,562	2,649,438	3,063,624	2,668,703
Community Services	2,773,862	2,628,374	2,929,011	1,802,310	1,983,046
Redevelopment and Housing	992,959	413,839	97,790	1,000	500
Interest on long-term debt	198,015	186,256	175,533	161,092	151,162
Total governmental activities expenses	17,378,438	18,083,628	19,140,700	19,964,695	19,504,365
Business-type activities:					
Water	4,465,850	4,722,232	4,346,199	4,293,748	4,438,880
Wastewater	2,940,176	3,161,602	3,022,147	2,991,561	3,332,885
Pier	107,074	287,367	111,824	91,199	80,406
Parking	265,889	299,100	284,659	364,146	326,696
Transit	6,077	6,532	8,740	8,755	10,762
Total business-type activities expenses	7,785,066	8,476,833	7,773,569	7,749,409	8,189,629
Total City government expenses	$ 25,163,504	$ 26,560,461	$ 26,914,269	$ 27,714,104	$ 27,693,994
Program Revenues:					
Governmental activities:					
Charges for services:					
General government	$ 1,020,708	$ 1,301,669	$ 1,462,725	$ 1,561,512	$ 1,762,469
Police protection	126,702	167,006	115,155	119,945	134,343
Fire protection	25,136	10,886	10,576	28,251	48,104
Public works	-	-	-	859,602	1,511,764
Streets	146,656	22,992	144,198	11,151	33,950
Community Services	1,049,444	650,435	1,135,056	232,068	838,828
Redevelopment and Housing	91,804	5,098	86,264	5,507	66,410
Operating grants and contributions	475,389	446,036	692,373	758,435	653,736
Capital grants and contributions	676,094	1,683,554	1,333,881	245,533	303,229
Total governmental activities program revenues	3,611,933	4,287,676	4,980,228	3,822,004	5,352,833

2015	2016	2017	2018	2019
$ 8,310,400	$ 6,478,517	$ 6,138,982	$ 8,682,523	$ 7,386,249
3,556,827	4,415,960	5,057,206	5,524,313	6,886,401
2,094,768	2,300,397	2,404,407	2,273,823	2,464,794
1,752,177	2,191,332	2,165,762	3,538,379	4,139,918
3,254,806	1,894,967	2,807,486	758,733	766,752
1,848,006	1,730,536	1,575,249	2,184,612	1,750,512
4,700	5,172	9,779	141,952	148,525
140,806	129,590	149,699	424,283	437,597
20,962,490	19,146,471	20,308,570	23,528,618	23,980,748
4,790,817	5,411,932	5,130,481	5,627,557	5,612,129
2,892,629	3,218,792	3,543,794	2,988,446	3,490,726
206,484	74,525	106,954	94,835	178,397
370,458	584,809	412,831	522,958	682,449
8,615	8,915	10,321	7,740	2,460
8,269,003	9,298,973	9,204,381	9,241,536	9,966,161
$ 29,231,493	$ 28,445,444	$ 29,512,951	$ 32,770,154	$ 33,946,909
$ 1,951,778	$ 1,996,898	$ 2,082,125	$ 2,141,024	$ 2,537,482
114,191	99,422	123,365	147,488	222,270
137,922	110,111	73,061	42,794	97,210
1,598,614	1,924,604	2,397,389	851,257	1,008,830
182,728	232,322	163,015	7,663	57,936
747,979	808,849	438,089	309,107	446,437
711,956	1,366,649	543,889	92,635	60,724
1,014,648	720,505	494,291	436,647	2,005,434
231,893	179,020	803,852	4,079,117	2,514,943
6,691,709	7,438,380	7,119,076	8,107,732	8,951,266

Schedule 2
City of Pismo Beach
Changes in Net Position, Last Ten Fiscal Years - Continued
(Accrual Basis of Accounting)
For Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Business-type activities:					
Charges for services:					
Water	$ 3,101,850	$ 3,391,156	$ 3,711,537	$ 3,459,033	$ 3,920,594
Wastewater	3,110,960	3,323,502	3,537,357	3,572,531	3,848,743
Pier	17,654	15,113	13,361	14,024	14,105
Parking	693,461	521,227	567,892	515,675	551,567
Transit	3	(3)	-	6,505	8,103
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	-	31,700	-	-
Total business-type activities programs revenues	6,923,928	7,250,995	7,861,847	7,567,768	8,343,112
Total City government program revenues	$ 10,535,861	$ 11,538,671	$ 12,842,075	$ 11,389,772	$ 13,695,945
Net Revenues (Expenses):					
Governmental activities	$ (13,766,505)	$ (13,795,952)	$ (14,160,472)	$ (16,142,691)	$ (14,151,532)
Business-type activities	(861,138)	(1,225,838)	88,278	(181,641)	153,483
Total City government	$ (14,627,643)	$ (15,021,790)	$ (14,072,194)	$ (16,324,332)	$ (13,998,049)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes	$ 3,846,298	$ 3,803,530	$ 3,763,419	$ 4,015,999	$ 4,193,186
Incremental property taxes	334,095	346,178	172,829	-	-
Sales taxes	3,136,677	3,379,575	3,511,091	3,905,814	4,104,284
Transient occupancy taxes	5,779,601	6,269,608	6,931,197	7,279,501	7,988,237
Other taxes	710,977	707,450	778,402	848,095	863,698
Investment earnings	394,594	272,846	233,627	137,101	142,180
Miscellaneous	32,205	44,214	-	-	-
Transfers	(9,592)	(219,479)	143,770	26,409	93,422
Extraordinary item - RDA	-	-	(1,692,529)	-	-
Total governmental activities	14,224,855	14,603,922	13,841,806	16,212,919	17,385,007
Business-type activities					
Special Water Taxes	1,213,189	1,261,798	1,291,559	1,543,588	1,717,621
Investment Earnings	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-
Other Revenue	-	-	-	-	-
Transfers	9,592	219,479	(143,770)	(26,409)	(93,422)
Total business-type activities	1,222,781	1,481,277	1,147,789	1,517,179	1,624,199
Total City government	$ 15,447,636	$ 16,085,199	$ 14,989,595	$ 17,730,098	$ 19,009,206
Change in net position:					
Governmental activities	$ 458,350	$ 807,970	$ (318,666)	$ 70,228	$ 3,233,475
Business-type activities	361,643	255,439	1,236,067	1,335,538	1,777,682
Total City government	$ 819,993	$ 1,063,409	$ 917,401	$ 1,405,766	$ 5,011,157

Note:
FY 2015 balances were adjusted for a prior year restatement recorded in FY 2016.

2015	2016	2017	2018	2019
$ 3,817,994	$ 4,709,473	$ 5,448,798	$ 4,849,034	$ 4,382,106
5,065,797	4,633,274	4,765,561	5,047,984	5,121,062
14,925	15,904	37,071	24,045	12,938
566,370	644,922	816,689	763,416	1,142,142
18,016	10,539	15,002	10,000	-
-	-	-	-	-
-	31,850	-	-	432,811
9,483,102	10,045,962	11,083,121	10,694,479	11,091,059
$ 16,174,811	$ 17,484,342	$ 18,202,197	$ 18,802,211	$ 20,042,325
$ (14,270,781)	$ (11,708,091)	$ (13,189,494)	$ (15,420,886)	$ (15,029,482)
1,214,099	746,989	1,878,740	1,452,943	1,124,898
$ (13,056,682)	$ (10,961,102)	$ (11,310,754)	$ (13,967,943)	$ (13,904,584)
$ 4,392,370	$ 4,662,304	$ 5,054,866	$ 5,334,500	$ 5,619,427
-	-	-		
4,497,958	4,485,779	4,433,756	4,689,005	4,815,640
8,682,119	9,199,947	9,330,651	10,039,921	10,498,160
890,811	915,610	1,045,733	976,359	1,000,717
205,281	397,199	168,833	306,056	994,991
64,428	74,243	227,618	37,638	113,048
(696,140)	(71,219)	(7,563,349)	(601,476)	(2,902,363)
-	-	-	-	-
18,036,827	19,663,863	12,698,108	20,782,003	20,139,620
2,672,840	1,266,322	1,286,422	1,320,604	1,362,579
-	-	-	(26,137)	815,787
-	-	-	240,120	(652,789)
-	-	-	46,948	
696,140	71,219	7,563,349	601,476	2,902,363
3,368,980	1,337,541	8,849,771	2,183,011	4,427,940
$ 21,405,807	$ 21,001,404	$ 21,547,879	$ 22,965,014	$ 24,567,560
$ 3,766,046	$ 7,955,772	$ (491,386)	$ 5,361,117	$ 5,110,138
4,583,079	2,084,530	10,728,511	3,635,954	5,552,838
$ 8,349,125	$ 10,040,302	$ 10,237,125	$ 8,997,071	$ 10,662,976

Schedule 3
City of Pismo Beach
Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2010	2011	2012	2013	2014
General fund:					
Reserved	$ 1,171,483	$ -	$ -	$ -	$ -
Unreserved	8,345,169	-	-	-	-
Nonspendable	-	768,088	462,005	965,312	88,805
Restricted	-	-	-	-	-
Committed	-	190,575	141,756	204,139	9,592,749
Assigned	-	7,265,958	7,665,163	6,103,064	-
Unassigned	-	714,379	2,141,222	3,361,546	4,825,898
Total general fund	9,516,652	8,939,000	10,410,146	10,634,061	14,507,452
All other governmental funds:					
Reserved	606,763	-	-	-	-
Unreserved reported in:					
Special revenue funds	1,640,880	-	-	-	-
Capital projects funds	3,752,951	-	-	-	-
Debt service funds	117,314	-	-	-	-
Nonspendable	-	-	1,657,235	1,697,235	1,121,826
Restricted	-	5,502,365	2,856,132	3,135,353	4,201,623
Committed	-	126,295	-	-	288,953
Assigned	-	368,032	276,240	236,068	-
Unassigned	-	-	(1,639,658)	(1,635,422)	(426,563)
Total all other governmental funds	6,117,908	5,996,692	3,149,949	3,433,234	5,185,839
Total all governmental funds	$ 15,634,560	$ 14,935,692	$ 13,560,095	$ 14,067,295	$ 19,693,291

Notes:
Fund balance reporting changes in FY 2011, per GASB 54.
FY 2012-2014 were adjusted in FY 2015 for an error in reporting nonspendable fund balance.

2015	2016	2017	2018	2019
$ -	$ -	$ -	$ -	$ -
-	-	-	-	-
37,096	37,292	43,026	41,262	1,155,945
-	-	-	-	-
8,258,692	13,676,510	13,651,916	14,835,873	14,332,834
-	-		403,227	1,114,527
7,346,781	5,398,701	7,787,769	7,170,465	7,763,396
15,642,569	19,112,503	21,482,711	22,450,827	24,366,702
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,086,826	1,086,826	-	-	-
4,184,820	6,702,558	5,766,454	7,953,098	5,980,066
895,777	41,923	2,344,205	2,065,945	1,059,306
-	622,145	255,176	1,435,396	1,235,290
-	-	-	-	-
6,167,423	8,453,452	8,365,835	11,454,439	8,274,662
$ 21,809,992	$ 27,565,955	$ 29,848,546	$ 33,905,266	$ 32,641,364

Schedule 4
City of Pismo Beach
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(In Rounded Thousands of Dollars)
(Modified accrual basis of accounting)
For Fiscal Year Ended June 30

	2010	2011	2012	2013	2014
Revenues:					
Taxes	$ 13,456	$ 14,506	$ 15,157	$ 16,369	$ 17,136
Licenses and permits	872	477	886	814	1,355
Fines and forfeits	100	97	82	64	67
Charges for services	951	873	1,147	320	1,168
Special assessments	411	624	686	728	799
Intergovernmental	1,247	2,190	1,984	1,129	927
Investment earnings & rent	447	332	269	261	289
Other revenues	41	12	110	616	1,414
Total revenues	17,525	19,111	20,321	20,301	23,155
Expenditures:					
General government	4,635	4,801	4,860	5,926	5,488
Public safety	6,445	6,574	6,792	6,856	6,823
Planning and Public Works	4,772	4,187	5,659	3,791	4,160
Recreation					
Capital outlay	2,369	3,258	3,115	2,508	436
Debt service:					
Costs of issuance	-	-	-	-	-
Principal	280	250	270	275	290
Interest	200	187	176	162	152
Total expenditures	18,701	19,257	20,872	19,518	17,349
Excess of revenues over (under) expenditures	(1,176)	(146)	(551)	783	5,806
Other Financing Sources (Uses)					
Proceeds from borrowing	-	-	-	-	-
Payments to escrow agent	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Transfers in	2,862	2,689	2,686	2,825	825
Transfers out	(3,127)	(3,242)	(2,819)	(3,101)	(1,099)
Total other financing sources (uses)	(265)	(553)	(133)	(276)	(274)
Extraordinary item:					
Dissolution of RDA	-	-	(692)	-	-
Net change in fund balance	$ (1,441)	$ (699)	$ (1,376)	$ 507	$ 5,532
Debt service as a percentage of noncapital expenditures	2.94%	2.73%	2.51%	2.57%	2.61%

2015	2016	2017	2018	2019
$ 18,463	$ 19,261	$ 19,763	$ 21,016	$ 21,897
1,594	1,918	2,423	895	1,042
68	56	43	55	68
1,887	2,588	1,318	435	638
868	920	933	1,002	1,516
1,188	940	1,402	787	2,470
393	420	333	474	1,151
894	959	1,101	1,102	1,671
25,355	27,062	27,316	25,766	30,453
7,795	6,197	6,026	8,445	6,912
6,693	7,278	7,942	8,564	9,038
5,824	4,468	4,746	4,812	4,691
1,370	2,320	2,570	2,013	6,997
-	-		86	
300	310	3,040	270	257
142	131	160	344	444
22,124	20,704	24,484	24,534	28,339
3,231	6,358	2,832	1,232	2,114
-	-	7,876	4,062	
-	-	-	-	
-	-	-	-	3
3,430	2,240	5,498	2,984	5,659
(4,544)	(2,842)	(13,923)	(4,222)	(9,040)
(1,114)	(602)	(549)	2,824	(3,378)
-	-	-	-	-
$ 2,117	$ 5,756	$ 2,283	$ 4,056	$ (1,264)
2.13%	2.40%	14.60%	2.74%	3.28%

Schedule 5
City of Pismo Beach
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(In thousands of dollars)

Fiscal Year	Assessed Taxable Values			Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Real Property	Personal Property	Totals			
2009-2010	2,400,005	37,086	2,437,091	1.00%	6,052,993	40.26%
2010-2011	2,389,311	37,245	2,426,556	1.00%	6,026,485	40.26%
2011-2012	2,364,711	36,417	2,401,128	1.00%	5,963,802	40.26%
2012-2013	2,374,635	36,736	2,411,371	1.00%	5,989,068	40.26%
2013-2014	2,454,598	39,670	2,494,268	1.00%	6,193,166	40.27%
2014-2015	2,561,760	38,802	2,600,562	1.00%	6,459,831	40.26%
2015-2016	2,729,930	38,748	2,768,678	1.00%	6,880,179	40.24%
2016-2017	2,938,649	39,575	2,978,224	1.00%	7,403,158	40.23%
2017-2018	3,127,849	43,541	3,171,390	1.00%	7,881,824	40.24%
2018-2019	3,304,131	43,860	3,347,991	1.00%	8,322,985	40.23%

Source: SLO County Assessors Office, and HDL Reports. Amounts for Fiscal years 2006 through 2007 adjusted to data from HDL reports in Fiscal year 2008.

Schedule 6
City of Pismo Beach
Direct and Overlapping Property Tax Rates
For The Last Ten Fiscal Years
(Rates per $100 of assessed value)

	Direct Rate			Overlapping Rates		
Fiscal Year	Basic Rate	General Obligation Debt Rate	Total	School Districts	Special Districts	Total
2009-2010	1.00%	0.00%	1.00%	0.0285%	0.0119%	1.0404%
2010-2011	1.00%	0.00%	1.00%	0.0291%	0.0126%	1.0417%
2011-2012	1.00%	0.00%	1.00%	0.0298%	0.0127%	1.0425%
2012-2013	1.00%	0.00%	1.00%	0.0395%	0.0139%	1.0534%
2013-2014	1.00%	0.00%	1.00%	0.0399%	0.0139%	1.0538%
2014-2015	1.00%	0.00%	1.00%	0.0409%	0.0139%	1.0548%
2015-2016	1.00%	0.00%	1.00%	0.1092%	0.0136%	1.1228%
2016-2017	1.00%	0.00%	1.00%	0.1082%	0.0128%	1.1210%
2017-2018	1.00%	0.00%	1.00%	0.1502%	0.0113%	1.1615%
2018-2019	1.00%	0.00%	1.00%	0.1492%	0.0089%	1.1581%

Note:
The direct property tax rates can only be changed with specific voter approval.

Source: HDL Reports.

Schedule 7
City of Pismo Beach
Principal Property Tax Payers - Top Ten Payers
Last Ten Fiscal Years
(Dollar Amounts in Thousands)

2019				2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Katelynn Nicole Sawyer	$ 34,822	1	1.05%	Pismo Beach Mobile Home Park	$ 33,168	1	1.05%
Prime Outlets of Pismo Beach	31,236	2	0.95%	Prime Outlets of Pismo Beach	30,624	2	0.97%
Core Pismo, LLC	25,627	3	0.78%	Core Pismo, LLC	25,142	3	0.79%
Spalding G. Wathen, Inc.	21,013	4	0.64%	Spalding G. Wathen, Inc.	20,601	4	0.65%
Castleback Pismo Beach	17,589	5	0.53%	Castleback Pismo Beach	17,262	5	0.54%
Cliffs Resort, LLC	16,095	6	0.49%	Cliffs Resort, LLC	16,321	6	0.51%
Pismo Coast Plaza, LLC	16,084	7	0.49%	Heron Crest Development	15,950	7	0.50%
Pismo Shore Cliff, Inc.	15,691	8	0.47%	Pismo Coast Plaza, LLC	15,769	8	0.50%
Heron Crest Development	15,601	9	0.47%	Pismo Shore Cliff, Inc.	15,393	9	0.49%
Henry F. Myers Trust	14,230	10	0.43%	Henry F. Myers Trust	13,951	10	0.44%
Total	$ 207,988		6.29%	Total	$ 204,181		6.44%

2017				2016			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Pismo Beach Mobile Home Park	$ 30,394	1	1.02%	Martin Resorts, Inc.	$ 34,772	1	1.26%
Prime Outlets of Pismo Beach	30,032	2	1.01%	Prime Outlets of Pismo Beach	29,576	2	1.07%
Core Pismo, LLC	24,667	3	0.83%	Pismo Beach Mobilehome Park	27,500	3	0.99%
Spalding G. Wathen, Inc.	20,197	4	0.68%	Core Pismo, LLC	24,238	4	0.88%
Castleback Pismo Beach	16,941	5	0.57%	Spalding G. Wathen, Inc.	19,893	5	0.72%
Heron Crest Development	16,278	6	0.55%	Castleblack Pismo Beach	17,300	6	0.62%
Cliffs Resort, LLC	16,031	7	0.54%	Heron Crest Development	16,033	7	0.58%
Pismo Coast Plaza, LLC	15,459	8	0.52%	Cliffs Resort, LLC	15,291	8	0.55%
Pismo Shore Cliff, Inc.	15,101	9	0.51%	Pismo Coast Plaza, LLC	15,227	9	0.55%
Henry F. Myers Trust	13,678	10	0.46%	Henry F. Myers Trust	13,679	10	0.49%
Total	$ 198,778		6.67%	Total	$ 213,509		7.71%

2015				2014			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Martin Resorts, Inc.	$ 34,109	1	1.31%	Martin Resorts, Inc.	$ 33,959	1	1.36%
Prime Outlets of Pismo Beach	29,050	2	1.12%	Prime Outlets of Pismo Beach	28,919	2	1.16%
Pismo Beach Mobilehome Park	25,854	3	0.99%	Pismo Beach Mobilehome Park	24,645	3	0.99%
Core Pismo, LLC	23,723	4	0.91%	Core Pismo, LLC	23,620	4	0.95%
Spalding G. Wathen, Inc.	20,329	5	0.78%	Spalding G. Wathen, Inc.	21,058	5	0.84%
Heron Crest Development	15,719	6	0.60%	Heron Crest Development	15,648	6	0.63%
Cliffs Resort, LLC	15,011	7	0.58%	Cliffs Resort, LLC	14,948	7	0.60%
Pismo Coast Plaza, LLC	14,929	8	0.57%	Pismo Coast Plaza, LLC	14,862	8	0.60%
Henry F. Myers Trust	13,197	9	0.51%	K Partners Pismo Beach LP	11,773	9	0.47%
Castleblack Pismo Beach	11,819	10	0.45%	Pismo Development Group, LLC	10,610	10	0.43%
Total	$ 203,740		7.83%	Total	$ 200,042		8.02%

2013				2012			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Martin Resorts, Inc.	$ 33,311	1	1.38%	Martin Resorts, Inc.	$ 32,676	1	1.36%
Prime Outlets of Pismo Beach	27,485	2	1.14%	Prime Outlets of Pismo Beach	27,068	2	1.13%
Spalding G. Wathen	23,600	3	0.98%	Spalding G. Wathen	23,888	3	0.99%
Pismo Beach Mobilehome Park	22,778	4	0.94%	Pismo Beach Mobilehome Park	22,827	4	0.95%
Core Pismo, LLC	19,335	5	0.80%	Core Pismo, LLC	19,335	5	0.81%
Heron Crest Development	15,341	6	0.64%	Heron Crest Development	15,041	6	0.63%
Cliffs Resort, LLC	14,675	7	0.61%	Cliffs Resort, LLC	14,406	7	0.60%
Pismo Coast Plaza LLC	13,532	8	0.56%	Pismo Coast Plaza LLC	13,335	8	0.56%
Kingfisher Canyon Development	12,068	9	0.50%	Kingfisher Canyon Development	12,108	9	0.50%
K Partners Pismo Beach LP	11,798	10	0.49%	K Partners Pismo Beach LP	11,524	10	0.48%
Total	$ 193,923		8.04%	Total	$ 192,208		8.00%

2011				2010			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Martin Resorts, Inc.	$ 33,751	1	1.39%	Martin Resorts, Inc.	$ 33,829	1	1.39%
Prime Outlets of Pismo Beach	26,867	2	1.11%	Prime Outlets of Pismo Beach	26,930	2	1.11%
Pismo Beach Mobilehome Park	24,243	3	1.00%	Pismo Beach Mobilehome Park	23,904	3	0.98%
Spalding G. Wathen	23,710	4	0.98%	Spalding G. Wathen	23,766	4	0.98%
Core Pismo, LLC	22,575	5	0.93%	Core Pismo, LLC	22,716	5	0.93%
Heron Crest Development	14,928	6	0.62%	Heron Crest Development	14,964	6	0.61%
Cliffs Resort, LLC	14,306	7	0.59%	Cliffs Resort, LLC	14,338	7	0.59%
Pismo Coast Plaza LLC	13,262	8	0.55%	Pismo Coast Plaza LLC	13,285	8	0.55%
Kingfisher Canyon Development	12,197	9	0.50%	MP Pismo Investments LLC	11,628	9	0.48%
K Partners Pismo Beach LP	11,343	10	0.47%	K Partners Pismo Beach LP	11,366	10	0.47%
Total	$ 197,182		8.13%	Total	$ 196,726		8.07%

Schedule 8
City of Pismo Beach
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Taxes Levied For The Fiscal Year	Collected Within The Fiscal Year of The Levy	
		Amount	Percentage of Levy
2009-2010	3,494,959	3,494,959	100.00%
2010-2011	3,803,530	3,803,530	100.00%
2011-2012	3,763,419	3,763,419	100.00%
2012-2013	4,015,999	4,015,999	100.00%
2013-2014	4,193,186	4,193,186	100.00%
2014-2015	4,392,370	4,392,370	100.00%
2015-2016	4,662,304	4,662,304	100.00%
2016-2017	5,054,866	5,054,866	100.00%
2017-2018	5,334,500	5,334,500	100.00%
2018-2019	5,619,427	5,619,427	100.00%

Note:
Property taxes are levied and collected pursuant to an arrangement commonly referred to as the Teeter Plan. Under the Teeter Plan, the County allocates and remits to the City the full amount of each years tax levy, and the County then retains any delinquencies as collected by the County. Amount for 2010 is less the Prop 1A Loan in the amount of $351,339.

Source: City of Pismo Beach Tax Collection records and San Luis Obispo County Assessor records.

Schedule 8 - A
City of Pismo Beach
Sales Tax Revenue Base Data
Last Ten Fiscal Years

Fiscal Year	Revenue Base City-Wide Retail Sales Subject to Tax	Total Retail Sales Tax Rate	City Direct Tax Rate	City Transaction Tax Rate	Revenue Recognized By the City
2009-2010	190,984,200	8.25%	1.00%	0.50%	3,136,677
2010-2011	192,386,300	8.25%	1.00%	0.50%	3,379,575
2011-2012	214,465,200	7.75%	1.00%	0.50%	3,511,091
2012-2013	248,116,800	8.00%	1.00%	0.50%	3,905,814
2013-2014	268,253,800	8.00%	1.00%	0.50%	4,104,284
2014-2015	275,456,400	8.00%	1.00%	0.50%	4,497,958
2015-2016	284,997,500	8.00%	1.00%	0.50%	4,485,779
2016-2017	288,353,100	7.75%	1.00%	0.50%	4,433,756
2017-2018	286,522,200	7.75%	1.00%	0.50%	4,689,005
2018-2019	319,725,600	7.75%	1.00%	0.50%	4,815,640

Note:
The City's direct retail sales tax rate is established pursuant to the City's Municipal Code. Any increase in the City's direct tax rate requires voter approval. Transaction Tax approved by voters in June 2008, effective October 1, 2008.

Source: Revenue Base Information provided by HDL Major Categories Report.
Revenue information provided by City of Pismo Beach records. Total rate updated back to 2009 in fiscal year 2016-17.

Schedule 8 - B
City of Pismo Beach
Principal Sales Tax Generators By Industry - Revenue Base Concentration Data
Last Ten Calendar Years
(Dollar Amounts in Thousands)

2018

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 86,326	1	27.72%
Apparel Stores	69,644	2	22.37%
All Other Outlets	65,603	3	21.07%
Other Retail Stores	61,322	4	19.69%
Service Stations	28,478	5	9.15%
Food Stores		6	0.00%
Total	$ 311,373		100.00%

2017

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 77,017	1	26.70%
Apparel Stores	73,310	2	25.41%
Other Retail Stores	57,987	3	20.10%
All Other Outlets	53,314	4	18.48%
Service Stations	26,830	5	9.30%
Food Stores	-	6	0.00%
Total	$ 288,458		100.00%

2016

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 75,757	1	26.06%
Apparel Stores	74,594	2	25.66%
Other Retail Stores	61,200	3	21.05%
All Other Outlets	52,976	4	18.23%
Service Stations	26,150	5	9.00%
Food Stores	-	6	0.00%
Total	$ 290,677		100.00%

2015

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 72,750	1	25.71%
Apparel Stores	71,817	2	25.38%
All Other Outlets	49,201	3	17.39%
Other Retail Stores	48,925	4	17.29%
Service Stations	30,285	5	10.70%
Food Stores	9,968	6	3.52%
Total	$ 282,946		100.00%

2014

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 71,978	1	26.63%
Restaurants	69,669	2	25.78%
All Other Outlets	43,395	3	16.05%
Other Retail Stores	43,576	4	16.12%
Service Stations	33,236	5	12.30%
Food Stores	8,441	6	3.12%
Total	$ 270,295		100.00%

2013

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 71,206	1	27.16%
Restaurants	64,935	2	24.77%
All Other Outlets	42,265	3	16.12%
Other Retail Stores	41,472	4	15.82%
Service Stations	35,189	5	13.42%
Food Stores	7,079	6	2.70%
Total	$ 262,146		100.00%

2012

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 67,849	1	27.81%
Restaurants	62,097	2	25.45%
All Other Outlets	37,449	3	15.35%
Service Stations	36,562	4	14.99%
Other Retail Stores	35,322	5	14.48%
Food Stores	4,702	6	1.93%
Total	$ 243,981		100.00%

2011

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 61,565	1	26.28%
Restaurants	57,679	2	24.62%
All Other Outlets	37,975	3	16.21%
Other Retail Stores	35,564	4	15.18%
Service Stations	35,324	5	15.08%
Food Stores	6,141	6	2.62%
Total	$ 234,248		100.00%

2010

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 55,754	1	26.10%
Restaurants	54,620	2	25.57%
Other Retail Stores	33,954	3	15.89%
All Other Outlets	33,419	4	15.64%
Service Stations	29,592	5	13.85%
Food Stores	6,290	6	2.94%
Total	$ 213,629		100.00%

2009

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Apparel Stores	$ 53,872	1	25.60%
Restaurants	52,780	2	25.08%
Other Retail Stores	36,424	3	17.31%
All Other Outlets	34,497	4	16.39%
Service Stations	26,254	5	12.47%
Food Stores	6,642	6	3.16%
Total	$ 210,469		100.00%

Source: HDL Reports. Changed years from fiscal to calendar in FY 2011 report.
Amounts reflect changes in reporting by HDL to reflect fewer differentiated Categories.

Schedule 8 B-1
City of Pismo Beach
Principal Sales Tax Payers - Top 25
Last Ten Fiscal Years
(In Alphabetical Order)

Fiscal Year Ended June 30			
2019	**2018**	**2017**	**2016**
7 Eleven	Arco	Arco	Arco
Arco	Brads Restaurant	Brads Restaurant	Brads Restaurant
California Fresh	California Fresh	California Fresh	California Fresh
Calvin Klein	Calvin Klein	Calvin Klein	Calvin Klein
Chevron	Chevron	Chevron	Cliffs at Shell Beach
Cliffs at Shell Beach	Cliffs at Shell Beach	Cliffs at Shell Beach	Coach
Coach	Coach	Coach	Cool Cat Café
Cracked Crab	Cracked Crab	Cracked Crab	Cracked Crab
Dolphin Bay Lido Restaurant	CVS Pharmacy	CVS Pharmacy	CVS Pharmacy
F Mclintocks Saloon	F Mclintocks Saloon	Dolphin Bay Lido Restaurant	Dolphin Bay Hotel & Lido Rest.
General Electric	Levis Outlet	F Mclintocks Saloon	McLintocks
Giuseppes Cucina	Miller 76	Levis Outlet	Five Cities Chevron
Miller 76	Nike	Miller 76	Giuseppes Cucina
Nike	Orchard Supply Hardware	Nike	Miller 76
Norman Wright Duckworth	Oshkosh B Gosh	Orchard Supply Hardware	Nike Retail
Orchard Supply Hardware	Panchos Surf Shop	Oshkosh B Gosh	Orchard Supply Hardware
Pacific Coast RV	Ralph Lauren	Ralph Lauren	Oshkosh B Gosh
Panchos Surf Shop	Ross	Rite Aid	Ralph Lauren
Ross	Sea Venture Resort	Rosas Ristorante Italiano	Rite Aid
Shell	Sky River RV	Ross	Ross
Sky River RV	Splash Café	Sky River RV	Shell
Splash Café	Spyglass Shell	Splash Café	Sky River RV
Spyglass Shell	Vans	Spyglass Shell	Splash Café
Ventana Grill	Ventana Grill	Ventana Grill	Spyglass Shell
Wooly's Oyster Loft	Wooly's Oyster Loft	Wooly's Oyster Loft	Ventana Grill

Fiscal Year Ended June 30			
2015	**2014**	**2013**	**2012**
Arco	Arco	7 Eleven	7 Eleven
Brads Restaurant	Brads Restaurant	Arco	Arco
California Fresh	California Fresh	Bass Outlet	Bass Outlet
Calvin Klein	Calvin Klein	Brads Restaurant	Brads Restaurant
Cliffs at Shell Beach	Cliffs at Shell Beach	Calvin Klein	Cliffs at Shell Beach
Coach	Coach	Cliffs at Shell Beach	Coach
Cool Cat Café	Cracked Crab	Coach	Cracked Crab
Cracked Crab	CVS Pharmacy	Cracked Crab	CVS Pharmacy
CVS Pharmacy	Dolphin Bay Hotel & Lido Rest.	CVS Pharmacy	Five Cities Chevron
Dolphin Bay Hotel & Lido Rest	McLintocks	Dolphin Bay Hotel & Lido Rest.	Giuseppes Cucina
McLintocks	Five Cities Chevron	Five Cities Chevron	McLintocks
Five Cities Chevron	Giuseppes Cucina	Giuseppes Cucina	Miller 76
Giuseppes Cucina	Miller 76	McLintocks	Nike Retail
Miller 76	Nike Retail	Miller 76	Orchard Supply Hardware
Nike Retail	Orchard Supply Hardware #1	Nike Retail	Oshkosh B Gosh
Orchard Supply Hardware	Orchard Supply Hardware #2	Orchard Supply Hardware	Panchos Surf Shop
Oshkosh B Gosh	Oshkosh B Gosh	Oshkosh B Gosh	Pierside Restaurant
Ralph Lauren	Ralph Lauren	Panchos Surf Shop	Polo Ralph Lauren
Rite Aid	Ross	Ralph Lauren	Ross
Ross	Shell	Ross	Scolaris
Shell	Sky River RV	Shell	Shell
Sky River RV	Splash Café	Sky River RV	Sky River RV
Splash Café	Spyglass Shell	Splash Café	Splash Café
Spyglass Shell	Vans	Spyglass Shell	Spyglass Shell
Ventana Grill	Ventana Grill	Ventana Grill	Ventana Grill

Fiscal Year Ended June 30	
2011	**2010**
7 Eleven	7 Eleven
Arco	Arco
Bass Outlet	Bass Outlet
Brads Restaurant	Brads Restaurant
Cliffs at Shell Beach	Calvin Klein
Cracked Crab	Cliffs at Shell Beach
CVS Pharmacy	Cracked Crab
Five Cities Chevron	CVS Pharmacy
Giuseppes Cucina	Five Cities Chevron
McDonalds	Giuseppes Cucina
McLintocks	McLintocks
Miller 76	Miller 76
Nike Retail	Nike Retail
Orchard Supply Hardware	Orchard Supply Hardware
Oshkosh B Gosh	Oshkosh B Gosh
Pacific Coast RV	Pacific Sunwear Outlet
Panchos Surf Shop	Panchos Surf Shop
Polo Ralph Lauren	Pismo RV Outlet
Rite Aid	Polo Ralph Lauren
Ross	Rite Aid
Scolaris	Ross
Shell	Scolaris
Splash Café	Splash Café
Spyglass Shell	Spyglass Shell
Ventana Grill	Valley Convenience Stores

Note: Principal Sales Tax payers provided by HDL.

Schedule 8 - C
City of Pismo Beach
Transient Occupancy Tax Revenue Base Data
Last Ten Fiscal Years

Fiscal Year	Revenue Base Room Revenues Subject to Tax	City Direct Tax Rate	Revenue Recognized By the City
2009-2010	57,795,945	10.00%	5,779,594
2010-2011	62,696,071	10.00%	6,269,607
2011-2012	69,311,970	10.00%	6,931,197
2012-2013	72,795,011	10.00%	7,279,501
2013-2014	79,882,370	10.00%	7,988,237
2014-2015	86,821,190	10.00%	8,682,119
2015-2016	91,999,470	10.00%	9,199,947
2016-2017	93,306,470	10.00%	9,330,647
2017-2018	100,399,210	10.00%	10,039,921
2018-2019	104,981,600	10.00%	10,498,160

Note:
The transient occupancy tax can only be changed by approval of the voters, and the rate was increased in 1992.

Source: Revenue information provided by City of Pismo Beach records.

Schedule 8 - D
City of Pismo Beach
Transient Occupancy Tax - Principal Payers and Other Data
Last Ten Fiscal Years

Fiscal Year	Transient Occupancy Tax Revenues In Dollars Concentration By Hotel Size Based on Number of Rooms Number Hotels 50 or More Rooms	Number Hotels Under 50 Rooms
2009-2010	$ 4,864,506 17	$ 340,365 14
2010-2011	$ 5,286,868 17	$ 375,674 15
2011-2012	$ 5,867,792 17	$ 417,423 15
2012-2013	$ 6,165,294 17	$ 411,261 15
2013-2014	$ 6,754,657 17	$ 418,059 12
2014-2015	$ 7,260,482 17	$ 558,564 14
2015-2016	$ 7,711,023 17	$ 591,172 13
2016-2017	$ 7,742,190 17	$ 683,153 15
2017-2018	$ 8,376,655 18	$ 662,911 14
2018-2019	$ 8,756,469 18	$ 662,357 14

	Transient Occupancy Tax Revenues In Dollars Concentration By Size RV Park/Vacation Rentals Based on Number of Units Number Units 50 or More	Number Units Under 50
2009-2010	$ 407,793 4	$ 166,931 12
2010-2011	$ 419,010 4	$ 188,055 15
2011-2012	$ 434,233 4	$ 211,749 15
2012-2013	$ 446,792 4	$ 256,154 15
2013-2014	$ 570,224 5	$ 245,297 17
2014-2015	$ 759,673 7	$ 103,400 14
2015-2016	$ 511,432 4	$ 386,320 22
2016-2017	$ 626,374 4	$ 278,934 25
2017-2018	$ 797,455 5	$ 202,901 32
2018-2019	$ 810,687 5	$ 268,647 53

Note:
Data prior to FY 2015 not available for City-Wide Occupancy Rate and Average Daily Room Rates. Occupancy Rate and Average Daily Room Rates are combined for hotels, RV Park, and Vacation Rentals. Data for Motels/Hotels separated from RV Park/Vacation Rentals in 2007 and 2008. Occupancy Data updated in FY 16.17.

Schedule 8 D-1
City of Pismo Beach
Principal Transient Occupancy Tax Payers - Top Ten
Last Ten Fiscal Years
(In Alphabetical Order)

Fiscal Year Ended June 30			
2019	**2018**	**2017**	**2016**
Cliffs Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn	Cottage Inn	Cottage Inn
Dolphin Bay Hotel	Dolphin Bay Hotel	Dolphin Bay Hotel	Dolphin Bay Hotel
Inn at the Pier	Island Hospitality	Island Hospitality	Island Hospitality
Island Hospitality	Kon Tiki Motel	Kon Tiki Motel	Kon Tiki Motel
Oxford Suites	Oxford Suites	Oxford Suites	Pismo Coast Village
Pismo Coast Village	Pismo Coast Village	Pismo Coast Village	Pismo Lighthouse Suites
Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Sandcastle Inn
Pismo Shore Cliff	Seacrest Motel	Seacrest Motel	Seacrest Motel
Seacrest Oceanfront Hotel	Shorecliff Inn	Shorecliff Inn	Shorecliff Inn

Fiscal Year Ended June 30			
2015	**2014**	**2013**	**2012**
Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Dolphin Bay Hotel	Cottage Inn	Cottage Inn	Cottage Inn
Island Hospitality	Dolphin Bay Hotel	Dolphin Bay Hotel	Dolphin Bay Hotel
Kon Tiki Motel	Hilton Garden Inn	Hilton Garden Inn	Hilton Garden Inn
Oxford Suites	Kon Tiki Motel	Kon Tiki Motel	Kon Tiki Motel
Pismo Coast Village	Pismo Coast Village	Pismo Coast Village	Pismo Coast Village
Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Sandcastle Inn	Sandcastle Inn	Sandcastle Inn	Sandcastle Inn
Seacrest Motel	Seacrest Motel	Seacrest Motel	Seacrest Motel
Shorecliff Inn	Shorecliff Inn	Shorecliff Inn	Shorecliff Inn

Fiscal Year Ended June 30	
2011	**2010**
Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn
Dolphin Bay Hotel	Dolphin Bay Hotel
Kon Tiki Motel	Kon Tiki Motel
Oxford Suites Resort	Oxford Suites Resort
Pismo Coast Village	Pismo Coast Village
Pismo Lighthouse Suites	Pismo Lighthouse Suites
Sandcastle Inn	Sandcastle Inn
Seacrest Motel	Seacrest Motel
Shorecliff Inn	Shorecliff Inn

Source: Principal Transient Occupancy Tax Payers provided by City of Pismo Beach records.

Schedule 8 - E
City of Pismo Beach
Water and Sewer Rates for Single Family Residents
Last Ten Fiscal Years

Fiscal Year	Water		Sewer	
	Monthly Base Rate	Rate Per 1000 Gallons	Monthly Base Rate	Rate Per 1000 Gallons*
2009-2010	15.26	2.11	36.72	-
2010-2011	15.95	2.30	39.49	-
2011-2012	16.29	2.35	40.32	-
2012-2013	16.29	2.35	40.32	-
2013-2014	12.17	2.49	36.88	-
2014-2015	12.72	2.60	38.92	-
2015-2016	13.29	2.72	41.07	-
2016-2017	14.51	2.97	45.72	-
2017-2018	14.51	2.97	45.72	-
2018-2019	14.51	2.97	45.72	-

Source: City of Pismo Beach Financial System Rate Records
*Sewer rate is based on Fixed Rate only. In 2013-2014, rates changed per rate study completed in August 2013.

Schedule 8 - F
City of Pismo Beach
Principal Water and Wastewater Payers - Revenue Base Concentration Data
Last Ten Fiscal Years

Water Revenue Concentration Data

Fiscal Year	Class of Customer: Single Family	Non-Residential	Construction	City	Irrigation	Totals
	Revenue in Dollars and Number of Customers					
2009-2010	$ 927,856	$ 612,810	$ 9,635	$ 49,126	$ 173,885	$ 1,773,312
	3,696	639	24	72	127	4,558
2010-2011	$ 948,979	$ 668,959	$ 4,722	$ 53,741	$ 198,223	$ 1,874,624
	3,702	642	18	82	125	4,569
2011-2012	$ 1,065,941	$ 729,416	$ 4,989	$ 59,911	$ 213,392	$ 2,073,649
	3,706	647	27	81	123	4,584
2012-2013	$ 1,055,078	$ 767,291	$ 13,103	$ 75,576	$ 217,164	$ 2,128,212
	3,719	646	26	80	125	4,596
2013-2014	$ 1,062,275	$ 888,085	$ 12,402	$ 100,766	$ 306,762	$ 2,370,290
	3,733	641	27	83	130	4,614
2014-2015	$ 1,090,870	$ 914,283	$ 14,231	$ 106,819	$ 283,457	$ 2,409,660
	3,772	641	91	82	132	4,718
2015-2016	$ 938,624	$ 864,692	$ 19,798	$ 81,589	$ 212,697	$ 2,117,400
	3,900	640	35	80	132	4,787
2016-2017*	$ 978,318	$ 903,725	$ 7,170	$ 92,226	$ 251,496	$ 2,232,935
	3,742	601	16	53	109	4,521
2017-2018	$ 1,163,469	$ 947,496	$ 20,164	$ 121,983	$ 310,987	$ 2,564,099
	3,767	604	27	60	117	4,575
2018-2019	$ 1,061,675	$ 969,313	$ 10,658	$ 105,528	$ 255,409	$ 2,402,583
	3,749	608	16	57	115	4,545

Wastewater Revenue Concentration Data

Fiscal Year	Class of Customer: Residential	Other Residential	Hotel/Motel	Commercial	Other	Totals
	Revenue in Dollars and Number of Customers					
2009-2010	$ 1,166,657	$ 286,706	$ 383,347	$ 540,874	$ 128,250	$ 2,505,834
	3,692	326	38	263	32	4,351
2010-2011	$ 1,269,866	$ 299,033	$ 400,072	$ 551,518	$ 130,805	$ 2,651,294
	3,695	322	38	263	33	4,351
2011-2012	$ 1,369,613	$ 313,537	$ 421,547	$ 566,462	$ 130,161	$ 2,801,320
	3,699	323	38	271	33	4,364
2012-2013	$ 1,397,950	$ 319,937	$ 434,845	$ 578,342	$ 158,153	$ 2,889,227
	3,712	326	37	268	34	4,377
2013-2014	$ 1,261,612	$ 297,433	$ 497,113	$ 591,462	$ 192,830	$ 2,840,450
	3,728	325	37	269	35	4,394
2014-2015	$ 1,230,586	$ 295,567	$ 534,754	$ 619,649	$ 183,333	$ 2,863,889
	3,767	325	37	270	48	4,447
2015-2016	$ 1,327,511	$ 311,572	$ 524,691	$ 596,869	$ 184,362	$ 2,945,005
	3,895	324	37	270	36	4,562
2016-2017*	$ 1,400,310	$ 328,951	$ 586,847	$ 616,278	$ 145,341	$ 3,077,727
	3,903	323	38	241	31	4,536
2017-2018	$ 1,498,537	$ 331,540	$ 595,020	$ 683,766	$ 171,631	$ 3,280,494
	3,918	322	37	248	34	4,559
2018-2019	$ 1,512,645	$ 345,066	$ 662,422	$ 678,071	$ 196,601	$ 3,394,805
	3,954	323	37	244	34	4,592

*Amount updated in FY 2017-18 to correct Water and Wastewater SFR amounts for FY 16-17.

Schedule 8 F-1
City of Pismo Beach
Principal Water Sale Purchasers - Top Ten
Last Ten Fiscal Years
(In Alphabetical Order)

Fiscal Years Ended June 30			
2019	**2018**	**2017**	**2016**
Cliffs Shell Beach	Cliffs Shell Beach	Cliffs Shell Beach	Cliffs Shell Beach
Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc	Dolphin Bay Hotel, Inc.
Motel 6	Kon Tiki	Kon Tiki	Motel 6 Inc.
Oxford Suites Resort	Motel 6	Oxford Suites Resort	Oxford Suites Resort
Pismo Beach Mobile Park Inc	Oxford Suites Resort	Pismo Beach Mobile Park Inc	Pismo Coast Village, Inc.
Pismo Coast Village Inc	Pismo Beach Mobile Park Inc	Pismo Coast Village Inc	Pismo Lighthouse Suites
Pismo Dunes Resort Mtr #1	Pismo Coast Village Inc	Pismo Dunes Travel	Pismo Mobile Hm Pk
Pismo Dunes Resort Mtr #2	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Quality Inn
Pismo Lighthouse Suites	Seacrest Resort	Seacrest Resort	Seacrest Resort
Seacrest Resort	Shorecliff Lodge	Shorecliff Lodge	Shorecliff Lodge

Fiscal Years Ended June 30			
2015	**2014**	**2013**	**2012**
Cliffs Shell Beach	City of Pismo Beach	City of Pismo Beach	Cliffs Shell Beach
Dolphin Bay Hotel, Inc.	Cliffs Shell Beach	Cliffs Shell Beach	Hacienda Del Pismo
Kon Tiki	Dolphin Bay Hotel, Inc.	Hilton Garden Inn	Kon Tiki
Motel 6 Inc.	Hilton Garden Inn	Judkins Middle School-LMUSI	Motel 6 Inc.
Oxford Suites Resort	Motel 6 Inc.	Motel 6 Inc.	Oxford Suites Resort
Pismo Coast Village, Inc.	Pismo Coast Village, Inc.	Oxford Suites Resort	Pismo Mobile Hm Pk
Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Pismo Mobile Hm Pk	Pismo Mobile Hm Pk	Pismo Mobile Hm Pk	Quality Inn - Pismo Beach
Seacrest Resort	Shorecliff Lodge	Seacrest Resort	Seacrest Resort
Shorecliff Lodge	Toucan I HOA	Shorecliff Lodge	Shorecliff Lodge

Fiscal Years Ended June 30	
2011	**2010**
Cliffs of Shell Beach-Hotel	Cliffs of Shell Beach-Hotel
Motel 6 Inc.	Cliffs of Shell Beach-Restaurant
Oxford Suites Resort	Judkins Middle School-LMUSD
Pismo Mobile Hm Pk	Motel 6 Inc.
Pismo Lighthouse Suites	Oxford Suites Resort
Rose Garden Inn	Pismo Mobile Hm Pk
Seacrest Motel	Pismo Lighthouse Suites
Shell Beach School-LMUSD	Rose Garden Inn
Shorecliff Lodge	Seacrest Motel
Sunset Palisades HOA	Shorecliff Lodge

Schedule 9
City of Pismo Beach
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(Dollars in Thousands except for Per Capita)

	Governmental Activities			Business-Type Activities			
Fiscal Year	Lease Revenue Bonds	Special Assessment Bonds	Unamortized Bond Premium	Capital Lease Obligations	Lease Revenue Bonds	Unamortized Bond Premium	State of California and Other Loans
2009-2010	4,735	-	-	12	6,655	-	9,263
2010-2011	4,485	-	-	-	6,480	-	8,765
2011-2012	4,215	-	-	-	5,710	-	8,255
2012-2013	3,940	-	-	-	5,535	-	7,739
2013-2014	3,650	-	-	-	5,345	385	7,212
2014-2015	3,350	-	-	-	5,155	365	6,677
2015-2016	3,040	-	-	-	4,960	344	6,132
2016-2017	7,685	-	191	-	4,755	324	5,576
2017-2018	11,477	-	185	-	4,540	304	5,011
2018-2019	11,220	-	178	-	4,320	284	5,946

Note: Total City Debt as Percentage of Personal Income for FY 16-17, and FY 17-18 updated in FY 18.19

Total City Debt	Total City Debt as Percentage of Personal Income	Total City Debt Per Capita	From CAFR	
			Population	Per Capita Personal Income
20,665	7.70%	2,374	8,704	30,835
19,730	5.45%	2,577	7,655	47,262
18,180	4.79%	2,369	7,675	49,459
17,214	5.02%	2,231	7,717	44,456
16,592	5.26%	2,153	7,705	40,940
15,547	5.10%	2,022	7,688	39,672
14,476	4.94%	1,769	8,181	35,852
18,531	5.59%	2,247	8,247	40,204
21,517	5.70%	2,614	8,233	45,820
21,948	5.36%	2,664	8,239	49,658

Schedule 10
City of Pismo Beach
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property	Per Capita
	General Obligation Bonds	Lease Revenue Bonds	Unamortized Bond Premium	Total		
2009-2010	-	4,735,000	-	4,735,000	0.19%	544.00
2010-2011	-	4,485,000	-	4,485,000	0.18%	585.89
2011-2012	-	4,215,000	-	4,215,000	0.18%	549.19
2012-2013	-	3,940,000	-	3,940,000	0.16%	510.56
2013-2014	-	3,650,000	-	3,650,000	0.15%	473.72
2014-2015	-	3,350,000	-	3,350,000	0.13%	435.74
2015-2016	-	3,040,000	-	3,040,000	0.11%	371.59
2016-2017	-	7,685,000	190,763	7,875,763	0.26%	954.99
2017-2018	-	11,475,917	184,609	11,660,526	0.37%	1,416.32
2018-2019	-	11,219,843	178,455	11,398,298	0.34%	1,383.46

Note:
Debt service on the lease revenue bonds and tax allocation bonds is financed by the use of general governmental financial resources available in the general fund and special revenue funds of the City. Assessed Taxable Value of Real Property provided by Cal Muni and HDL. Tax Allocation Bonds retired early in Fiscal Year 2009.

Schedule 11
City of Pismo Beach
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
OVERLAPPING DEBT REPAID WITH PROPERTY TAXES:			
San Luis Obispo County Certificates of Participation	$ 22,590,000	6.238%	$ 1,409,164
San Luis Obispo County Pension Obligations	83,154,269	6.238%	5,187,163
Lucia Mar Unified School District Certificates of Participation	19,945,146	18.298%	3,649,563
TOTAL OVERLAPPING DEBT REPAID WITH PROPERTY TAXES			$ 10,245,891
OVERLAPPING TAX AND ASSESSMENT DEBT:			
San Luis Obispo County Flood Control and Water Conservation District, Zone No. 3	7,485,000	32.911%	2,463,388
San Luis Obispo Community College District	126,100,000	6.212%	7,833,332
San Luis Coastal Unified School District	162,735,000	3.590%	5,842,187
Lucia Mar Unified School District	95,741,576	18.298%	17,518,794
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 33,657,700
CITY DIRECT DEBT - GOVERNMENTAL ONLY:			
City of Pismo Beach General Fund Obligations	11,219,843	100.00%	$ 11,219,843
TOTAL DIRECT DEBT			**$ 11,219,843**
TOTAL OVERLAPPING DEBT			**$ 43,903,592**
TOTAL DIRECT AND OVERLAPPING DEBT			**$ 55,123,435**

Ratios to Adjusted Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	1.01%
Total Direct Debt ($11,661,526)	**0.34%**
Combined Total Debt	1.65%

Note:
Overlapping debt is based on the percentage of overlapping agency's assessed valuation located within the boundaries of the City. Taxpayers in the City of Pismo Beach are responsible for paying their share of the debt from each jurisdiction.

Source: California Municipal Statistics, Inc.

Schedule 12
City of Pismo Beach
Legal Debt Margin Information
Last Ten Fiscal Years

Fiscal Year	Debt Limit	Total Debt Applicable To Limit	Total Debt Applicable To Limit as Percentage of Debt Limit
2009-2010	91,390,902	-	0%
2010-2011	90,995,113	-	0%
2011-2012	90,038,272	-	0%
2012-2013	90,426,011	-	0%
2013-2014	93,534,313	-	0%
2014-2015	97,520,366	-	0%
2015-2016	103,825,445	-	0%
2016-2017	111,682,818	-	0%
2017-2018	118,925,270	-	0%
2018-2019	125,549,073	-	0%

Legal Debt Margin Calculation for Fiscal Year 2019

Assessed value	$	3,347,975,278
Conversion Percentage (25%)		25%
Adjusted Assessed Valuation		836,993,820
Debt Limit Percentage (15%)		15%
Debt Limit		125,549,073
Less debt applicable to limit:		
General obligation bonds		-
Total debt applicable to limit		-
Legal debt margin	$	125,549,073
Total debt applicable to the limit as a percentage of debt limit		0%

Note:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 15% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel.) The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State. Debt Limit Calculation determined by Property Assessed Value multiplied by 25%, which is the conversion percentage dating back to the time that the legal debt margin was enacted by the State of California. The adjusted value is then multiplied by 15% which is the Legal Debt Limit of Gross Valuation provided by the State of California.

Source: California Municipal Statistics

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Schedule 13
City of Pismo Beach
Pledged Revenue Coverage
Last Ten Fiscal Years

2004 Revenue Bonds

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2009-2010	3,037,459	-	1,853,902	1,183,557	170,000	285,535	2.60
2010-2011	3,224,548	-	1,909,617	1,314,931	175,000	282,330	2.88
2011-2012	3,518,213	-	1,912,039	1,606,174	175,000	262,174	3.67
2012-2013	3,571,850	-	1,909,756	1,662,094	-	-	-
2013-2014	3,841,522	-	2,370,387	1,471,135	-	-	-
2014-2015	-	-	-	-	-	-	-
2015-2016	-	-	-	-	-	-	-
2016-2017	-	-	-	-	-	-	-
2017-2018	-	-	-	-	-	-	-
2018-2019	-	-	-	-	-	-	-

Note:
Wastewater revenues include service fees only. Data for wastewater shown in fiscal 2005 and thereafter when proceeds of State of California SRF loan first were drawn down.
Operating expenses exclude depreciation and amortization.

State of California Wastewater Construction Loan-WWTP

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2009-2010	3,037,459	-	1,853,902	1,183,557	449,648	159,612	1.94
2010-2011	3,224,548	-	1,909,617	1,314,931	457,755	151,505	2.16
2011-2012	3,518,213	-	1,912,039	1,606,174	466,008	143,251	2.64
2012-2013	3,571,850	-	1,909,756	1,662,094	474,410	134,849	2.73
2013-2014	3,841,522	-	2,370,387	1,471,135	482,964	126,295	2.41
2014-2015	5,039,175	-	1,895,224	3,143,951	491,672	117,588	5.16
2015-2016	4,591,505	-	2,255,771	2,335,734	500,537	108,723	3.83
2016-2017	4,671,934	-	2,630,203	2,041,731	509,561	99,698	3.35
2017-2018	5,047,984	-	2,158,108	2,889,876	518,749	90,511	4.74
2018-2019	5,121,062	-	3,229,206	1,891,856	528,102	81,158	3.11

State of California Wastewater Construction Loan-Park/Cypress Project

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2009-2010	3,037,459	-	1,853,902	1,183,557	10,621	4,025	80.81
2010-2011	3,224,548	-	1,909,617	1,314,931	10,834	3,814	89.77
2011-2012	3,518,213	-	1,912,039	1,606,174	12,433	2,214	109.66
2012-2013	3,571,850	-	1,909,756	1,662,094	11,271	3,375	113.48
2013-2014	3,841,522	-	2,370,387	1,471,135	11,694	2,952	100.45
2014-2015	5,039,175	-	1,895,224	3,143,951	11,916	2,731	214.65
2015-2016	4,591,505	-	2,255,771	2,335,734	12,141	2,505	159.48
2016-2017	4,671,934	-	2,630,203	2,041,731	12,371	2,275	139.40
2017-2018	5,047,984	-	2,158,108	2,889,876	12,605	2,041	197.32
2018-2019	5,121,062	-	3,229,206	1,891,856	12,844	1,802	129.17

State of California Wastewater Construction Loan-Pismo Oaks Lift Station Project

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2009-2010	3,037,459	-	1,853,902	1,183,557	29,319	12,588	28.24
2010-2011	3,224,548	-	1,909,617	1,314,931	29,948	11,959	31.38
2011-2012	3,518,213	-	1,912,039	1,606,174	30,950	10,957	38.33
2012-2013	3,571,850	-	1,909,756	1,662,094	31,020	10,887	39.66
2013-2014	3,841,522	-	2,370,387	1,471,135	31,486	10,421	35.10
2014-2015	5,039,175	-	1,895,224	3,143,951	32,054	9,853	75.02
2015-2016	4,591,505	-	2,255,771	2,335,734	32,631	9,275	55.74
2016-2017	4,671,934	-	2,630,203	2,041,731	33,220	8,687	48.72
2017-2018	5,047,984	-	2,158,108	2,889,876	33,819	8,088	68.96
2018-2019	5,121,062	-	3,229,206	1,891,856	34,428	7,478	45.15

Note:
For all State of CA SRF Loans, Wastewater revenues include service fees only.
Operating expenses exclude depreciation and amortization.

State of California Wastewater Construction Loan-Five Cities Lift Station Project

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2018-2019	5,121,062	-	3,229,206	1,891,856	49,189	30,951	23.61

2012 Revenue Bonds

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
2011-2012	3,518,213	-	1,912,039	1,606,174	-	-	-
2012-2013	3,571,850	-	1,909,756	1,662,094	175,000	211,089	4.30
2013-2014	3,841,522	-	2,370,387	1,471,135	190,000	202,813	3.75
2014-2015	5,039,175	-	1,895,224	3,143,951	190,000	198,063	8.10
2015-2016	4,591,505	-	2,255,771	2,335,734	195,000	192,288	6.03
2016-2017	4,671,934	-	2,630,203	2,041,731	205,000	185,263	5.23
2017-2018	5,047,984	-	2,158,108	2,889,876	215,000	176,863	7.37
2018-2019	5,121,062	-	3,229,206	1,891,856	220,000	168,163	4.87

Note:
Wastewater revenues include service fees only.
Operating expenses exclude depreciation and amortization.
No Debt Service paid in FY 11-12 as 2004 Bonds were refunded by this issue.

Schedule 14
City of Pismo Beach
Demographic and Economic Services
For the Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2009-2010	8,677	363,071,711	41,843	9.20%
2010-2011	8,704	403,656,704	46,376	10.40%
2011-2012	7,675	379,597,825	49,459	9.50%
2012-2013	7,717	343,066,952	44,456	6.20%
2013-2014	7,705	315,442,700	40,940	5.30%
2014-2015	7,688	304,998,336	39,672	4.50%
2015-2016	8,181	293,305,212	35,852	3.70%
2016-2017	8,247	331,562,388	40,204	3.40%
2017-2018	8,233	377,236,060	45,820	2.90%
2018-2019	8,239	409,132,262	49,658	2.40%

Source:
California Labor Market Info. Data Library as of Nov of each year.
Per Capita Personal Income based on Census Data.
FY 2006 to FY 2011 Adjusted to reflect updated information.

Note:
HDL providing the information effective 2014. Personal Income reported in thousands.

Source: HDL Reports - California Labor Market and US Census Bureau.

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Schedule 15
City of Pismo Beach
Principal Employers (Ten Largest)
Last Ten Years

Fiscal Year Ended June 30, 2019				Fiscal Year Ended June 30, 2018			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	220	1	5.12%	The Cliff's of Shell Beach	227	1	5.54%
Dolphin Bay Resort	161	2	3.74%	Dolphin Bay Resort	190	2	4.63%
Keller-Williams	147	3	3.42%	City of Pismo Beach	135	3	3.29%
City of Pismo Beach	125	4	2.91%	Keller-Williams	135	4	3.29%
Martin Resorts	97	5	2.26%	Martin Resorts	125	5	3.05%
U.S. Postal Service	81	6	1.88%	Sea Venture	85	6	2.07%
Sea Venture	80	7	1.86%	U.S. Postal Service	69	7	1.68%
Brad's Restaurant	75	8	1.74%	Seacrest	67	8	1.63%
Seacrest	68	9	1.58%	Brad's Restaurant	63	9	1.54%
Pismo Coast Village	65	10	1.51%	Pismo Coast Village	60	10	1.46%
Total	1,119		26.02%	Total	1,156		28.20%

Fiscal Year Ended June 30, 2017				Fiscal Year Ended June 30, 2016			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	220	1	5.50%	The Cliff's of Shell Beach	235	1	5.88%
Dolphin Bay Resort	169	2	4.23%	Dolphin Bay Resort	178	2	4.45%
City of Pismo Beach	129	3	3.23%	Martin Resorts	135	3	3.38%
Martin Resorts	125	4	3.13%	Keller-Williams	110	4	2.75%
Keller-Williams	106	5	2.65%	City of Pismo Beach	89	5	2.23%
Sea Venture	81	6	2.03%	Sea Venture	85	6	2.13%
Brad's Restaurant	67	7	1.68%	U.S. Postal Service	82	7	2.05%
Seacrest	63	8	1.58%	Brad's Restaurant	70	8	1.75%
Pismo Coast Village	62	9	1.55%	McClintock's	65	9	1.63%
U.S. Postal Service	61	10	1.53%	Pismo Coast Village	65	10	1.63%
Total	1,083		27.08%	Total	1,114		27.85%

Fiscal Year Ended June 30, 2015				Fiscal Year Ended June 30, 2014			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
Martin Resorts	260	1	6.50%	The Cliff's of Shell Beach	220	1	4.40%
The Cliff's of Shell Beach	243	2	6.08%	Dolphin Bay Resort	197	2	3.94%
Dolphin Bay Resort	191	3	4.78%	U.S. Postal Service	105	3	2.10%
Keller-Williams	106	4	2.65%	Keller-Williams	98	4	1.96%
City of Pismo Beach	89	5	2.23%	Brad's Restaurant	85	5	1.70%
Sea Venture	85	6	2.13%	City of Pismo Beach	85	6	1.70%
Brad's Restaurant	79	7	1.98%	Sea Venture	73	7	1.46%
U.S. Postal Service	75	8	1.88%	McClintock's	66	8	1.32%
McClintock's	71	9	1.78%	Steamer's	53	9	1.06%
Steamer's	62	10	1.55%	Shore Cliff Lodge	50	10	1.00%
Total	1,261		31.53%	Total	1,032		20.64%

Fiscal Year Ended June 30, 2013				Fiscal Year Ended June 30, 2012			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	222	1	4.53%	The Cliff's of Shell Beach	213	1	4.44%
Dolphin Bay Resort	195	2	3.98%	Dolphin Bay Resort	180	2	3.75%
U.S. Postal Service	102	3	2.08%	Keller-Williams	90	3	1.88%
Keller-Williams	92	4	1.88%	City of Pismo Beach	85	4	1.77%
City of Pismo Beach	86	5	1.76%	U.S. Postal Service	82	5	1.71%
Brad's Restaurant	75	6	1.53%	McClintock's	70	6	1.46%
Sea Venture	70	7	1.43%	Steamer's	68	7	1.42%
McClintock's	68	8	1.39%	Sea Venture	67	8	1.40%
Steamer's	62	9	1.27%	Brad's Restaurant	60	9	1.25%
Shore Cliff Lodge	49	10	1.00%	Shore Cliff Lodge	49	10	1.02%
Total	1,021		20.84%	Total	964		20.08%

Fiscal Year Ended June 30, 2011				Fiscal Year Ended June 30, 2010			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	160	1	3.48%	The Cliff's of Shell Beach	160	1	3.52%
Dolphin Bay Resort	110	2	2.39%	McClintock's	125	2	2.75%
Keller-Williams	110	3	2.39%	Keller-Williams	107	3	2.36%
City of Pismo Beach	88	4	1.91%	Steamer's	100	4	2.20%
U.S. Postal Service	78	5	1.70%	Brad's Restaurant	90	5	1.98%
McClintock's	76	6	1.65%	City of Pismo Beach	90	6	1.98%
Brad's Restaurant	65	7	1.41%	Shore Cliff Lodge	85	7	1.87%
Sea Venture	64	8	1.39%	Sea Venture	80	8	1.76%
Steamer's	60	9	1.30%	U.S. Postal Service	75	9	1.65%
Shore Cliff Lodge	45	10	0.98%	Pelican Point Restaurant	75	10	1.65%
Total	856		18.61%	Total	987		21.74%

Note:
Source: City of Pismo Beach provided information by contacting employers for all years except 2010.
HDL provided the information for 2010. Employment information from State of Ca website.

Schedule 16
City of Pismo Beach
Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government:										
Administration	4	4	4	4	4	4	4	4	4	4
Human Resources	1	1	1	1	1	1	1	1	1	1
City Council	5	5	5	5	5	5	5	5	5	5
City Attorney - Contract	1	1	1	1	1	1	1	1	1	1
CVB	2	2	2	2	2	2	2	2	2	2
Administrative Services	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9	5.9
Information Technology	-	-	-	-	1	1	1	1	1	1
Public safety:										
Police	34.00	34.00	33.00	33.00	34.00	34.00	33.85	33.85	33.70	33.70
Parking	-	-	-	-	-	-	0.15	0.15	1.30	1.30
Community Development:										
Planning	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.55	4.55
Building	4.10	4.10	4.20	4.20	4.10	4.10	4.15	4.15	3.15	3.15
Recreation	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.15	1.15
RDA	0.10	0.10	-	-	-	-	-	-	-	-
Parking	1.00	1.00	1.00	1.00	1.10	1.10	1.05	1.05	0.15	0.15
Public Works/Engineering:										
Engineering	3.70	3.70	3.70	3.70	3.60	3.60	3.60	3.60	3.60	3.60
Streets and Govt Bldgs	4.78	4.78	4.78	4.78	3.03	3.03	2.83	2.83	3.78	3.78
Park Maintenance/Fac.	7.52	7.52	7.52	7.52	7.32	7.32	7.17	7.17	7.27	7.27
Water:										
Treatment and distribution	6.00	6.00	5.00	5.00	5.00	5.00	6.70	6.70	5.65	5.65
Billing	0.67	0.67	0.67	0.67	0.50	0.50	0.50	0.50	0.50	0.50
Wastewater:										
Collection and treatment	8.05	8.05	8.05	8.05	8.10	8.10	7.80	7.80	7.80	7.80
Billing	0.33	0.33	0.33	0.33	0.50	0.50	0.50	0.50	0.50	0.50
Motor Vehicle Operations:										
Motor Vehicle Operations	1.05	1.05	1.05	1.05	1.05	1.05	1.00	1.00	1.00	1.00
Totals	96.00	96.00	94.00	94.00	94.00	94.00	95.00	95.00	94.00	94.00

Source: City of Pismo Beach payroll records. Updated FY 2016 numbers in FY 2017.
Updated FY 2018 in FY 2019.

Schedule 17
City of Pismo Beach
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Physical arrest	951	995	902	873	996	1,116	1,072	1,194	1,235	1,220
Traffic violations	2,841	3,057	2,677	1,949	2,201	2,041	1,029	1,167	2,157	2,289
Fire:										
Emergency responses	890	1,081	1,022	1,084	1,175	1,265	1,528	1,349	1,355	1,340
Fires extinguished	22	19	22	25	16	21	26	22	23	21
Building:										
Building permits issued	210	177	213	246	209	290	205	220	185	185
Other permits issued	552	471	455	436	478	956	551	640	533	472
Public works:										
Miles streets resurfaced	38.00	4.10	6.03	6.08	-	-	-	2.50	0.50	0.25
Parks and Recreation:										
Number of facility rentals	302	187	255	274	216	240	258	1,437	1,513	1,158
Number of class admissions	1,540	3,000	1,500	2,000	2,000	3,000	3,500	3,500	3,500	2,956
Water:										
Number new connections	15	59	20	21	5	20	221	67	12	105
Daily average water production in MGD	1.76	1.71	1.78	1.84	1.91	1.64	1.47	1.43	1.59	1.46
Daily average water consumption in MGD	1.55	1.48	1.59	1.63	1.72	1.52	1.27	1.25	1.48	1.34
Wastewater:										
Number new connections	18	4	6	7	33	53	109	62	23	6
Daily average treatment in millions gallons(MGD)	1.13	1.08	1.14	1.07	1.07	1.01	0.95	0.99	0.98	0.98

Note:
Park and Recreation information unavailable prior to fiscal year 2006.
Water and Wastewater connections data not able to locate prior to 2006.
Police information updated for all years in FY 2019.
Source: City of Pismo Beach Departments

Schedule 18
City of Pismo Beach
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	6	6	6	6	6	6	6	6	6	6
Fire:										
Stations	2	2	2	2	2	2	2	2	2	2
Engines	2	3	3	3	3	3	3	3	3	3
Public works:										
Miles of streets	38	38	46	46	46	46	46	46	46	46
Streetlights	757	757	828	828	828	828	842	842	844	844
Traffic signals	3	3	3	3	3	3	3	3	3	3
Parks and recreation:										
Community centers	2	2	2	2	2	2	2	2	2	2
Parks	18	18	18	18	18	18	18	18	18	18
Park acreage	205	205	205	205	205	205	205	205	205	205
Water:										
Miles of mains	54	54	55	55	56	56	56	56	56	56
Number connections	4,558	4,569	4,584	4,596	4,614	4,718	4,787	4,521	4,575	4,680
Maximum plant capacity in millions gallons	2.16	2.16	2.16	2.16	2.16	2.16	2.16	2.40	2.40	2.40
Wastewater:										
Miles of sewers	40	40	40	40	40	40	40	40	40	40
Number connections	4,351	4,351	4,364	4,377	4,394	4,447	4,562	4,536	4,559	4,565
Maximum plant capacity in millions gallons	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90	1.90

Note:
Source: City of Pismo Beach Departments.
Updated the number of Water and Sewer connections in FY 17.18.

Schedule 19

City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2018-19

$5,710,000
PISMO BEACH PUBLIC FINANCING AUTHORITY
(City of Pismo Beach, California)
SERIES 2012 WASTEWATER REFUNDING REVENUE BONDS
(Wastewater Project of 2004)

Content of Annual Reports

(i) Audited financial statements of the City:

This exhibit is attached to the City's audited financial statements.

(ii) information with respect to the City's wastewater enterprise (the "Wastewater Enterprise") showing:

(a) Annual wastewater service structure and pricing, together with adopted rates in a format comparable to Table 6 of the Official Statement for the prior Fiscal Year:

BI-MONTHLY FIXED RATES
BASED ON WATER METER SIZE

Meter Size (In Inches)	2019
5/8"	$26.92
3/4"	$37.94
1"	$59.98
1 ½"	$115.06
2"	$181.19
3"	$335.47
4"	$555.85
6"	$1,327.23

BI-MONTHLY RESIDENTIAL
FIXED CONSUMPTION CHARGES[1]

Customer Classification	2019
Single Family	$64.51
Multifamily	$43.50
Mobile Home	$38.93

[1] Apartments, Multifamily and Mobile Home are charged by the dwelling unit.

Schedule 19-Page 2
City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2018-19

$5,710,000
PISMO BEACH PUBLIC FINANCING AUTHORITY
(City of Pismo Beach, California)
SERIES 2012 WASTEWATER REFUNDING REVENUE BONDS
(Wastewater Project of 2004)

BI-MONTHLY VARIABLE CONSUMPTION CHARGES[2]

Customer Classification	2019
Commercial	$6.57
Dual Residential/Restaurant	$9.99
Dual Residential/Commercial	$6.33
Grocery	$13.22
Hotel	$6.12
Hotel w/ Rest.	$10.03
School w/Cafeteria	$6.56
School	$4.75
Shopping Center	$6.74
Shopping Center w/Restaurant	$10.10
Trailer/RV	$4.43
Service Station	$6.04
Restaurant/Bakery	$13.61
Municipal	$6.57

[2] Charge based on water consumption (dollars per hundred cubic feet of water billed for each two-month billing period).

Schedule 19 – Page 3
City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2018-19

$5,710,000
PISMO BEACH PUBLIC FINANCING AUTHORITY
(City of Pismo Beach, California)
SERIES 2012 WASTEWATER REFUNDING REVENUE BONDS
(Wastewater Project of 2004)

(a) Largest ten users of the Wastewater Enterprise, based on annual billings for the prior fiscal year (largest customer based on water consumption):

Ten Largest Wastewater Customers by Revenue

FY 2018-19

	Customer Name	Sewer Revenues	% of Total
1	Cliff's Shell Beach	$ 74,638.86	1.58%
2	Pismo Coast Village	$ 58,106.55	1.23%
3	Pismo Beach Mobile Home Park	$ 62,153.94	1.31%
4	Oxford Suites Resort	$ 43,445.58	0.92%
5	Dolphin Bay Hotel	$ 45,648.78	0.96%
6	Pismo Lighthouse Suites	$ 45,165.30	0.95%
7	Motel 6, Inc.	$ 38,445.18	0.81%
8	Pismo Dunes Resort - Meter #1	$ 28,052.36	0.59%
9	Pismo Dunes Resort - Meter #2	$ 27,728.97	0.59%
10	Seacrest Resort	$ 36,823.38	0.78%
	Total	$ 460,208.90	9.72%
	Other Customers	$ 4,272,529.89	90.28%
	Total Revenues	$ 4,732,738.79	100.00%

(b) Any additional indebtedness incurred during the prior Fiscal Year which is payable from revenues of the Wastewater Enterprise on a parity with the Bonds:

Please see information in the audited financial statements.

$5,710,000
PISMO BEACH PUBLIC FINANCING AUTHORITY
(City of Pismo Beach, California)
SERIES 2012 WASTEWATER REFUNDING REVENUE BONDS
(Wastewater Project of 2004)

(c) Debt Service Coverage Projections for the Series 2012 Wastewater Refunding Revenue Bonds:

OPERATING RESULTS AND DEBT SERVICE COVERAGE

	Audited
GROSS REVENUES	**FY 2018-19**
Charges for Services	$4,929,387
Miscellaneous Revenue	554,175
Interest and Investment Revenues	293,925
TOTAL REVENUES	$5,777,487
OPERATING EXPENSES[3]	
Salaries and Benefits	$1,150,975
Purchased Power	246,797
Customer Accounting	47,049
Services and Supplies	1,146,495
TOTAL OPERATING EXPENSES	$2,591,316
NET REVENUES	$3,186,171
DEBT SERVICE	
2004 State Loan - WWTP	$ 609,259
2006 State Loan - Park/Cypress Interceptor	$ 14,647
2008 State Loan - Pismo Oaks Lift Station	$ 41,907
2012 Wastewater Bonds	$ 388,163
TOTAL DEBT SERVICE PAYMENTS	$1,053,976
DEBT SERVICE COVERAGE RATIO	3.02
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$2,132,195**

[3] Excludes depreciation, amortization, loss on capital assets, and debt service expenses.

$5,710,000
PISMO BEACH PUBLIC FINANCING AUTHORITY
(City of Pismo Beach, California)
SERIES 2012 WASTEWATER REFUNDING REVENUE BONDS
(Wastewater Project of 2004)

Reporting of Significant Events

There were no significant events that occurred during the Fiscal Year ended June 30, 2019. According to the Continuing Disclosure Certificate, significant events include:

(i) Principal and interest payment delinquencies;
(ii) Non-payment related defaults, if material;
(iii) Unscheduled draws on debt service reserves reflecting financial difficulties;
(iv) Unscheduled draws on credit enhancements reflecting financial difficulties;
(v) Substitution of credit or liquidity providers, or their failure to perform;
(vi) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security;
(vii) Modifications to rights of security holders, if material;
(viii) Optional, contingent or unscheduled bond calls, if material;
(ix) Defeasances;
(x) Release, substitution, or sale of property securing repayment of the Bonds, if material;
(xi) Rating changes;
(xii) Bankruptcy, insolvency, receivership or similar event of the City;
(xiii) The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Schedule 20
City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2018-19
$7,685,000
PISMO BEACH PUBLIC FINANCING AGENCY
(SAN LUIS OBISPO COUNTY, CALIFORNIA)
SERIES 2017A LEASE REVENUE REFUNDING BONDS
(PIER REHABILITATION PROJECT)

Content of Annual Reports

(i) Audited financial statements of the City:
This exhibit is attached to the City's audited financial statements.

(ii) Operating data, including the following information with respect to the City's preceding Fiscal Year (to the extent not included in the audited financial statements described in paragraph (a) above):

(a) Outstanding indebtedness and lease obligations;
Please see information in the audited financial statements.

(b) General fund budget and actual results;
Please see information in the audited financial statements.

(c) Assessed valuations; and
Please see information in the audited financial statements.

(d) Largest local secured taxpayers.
Please see information in the audited financial statements.

Reporting of Significant Events

There were no significant events that occurred during the Fiscal Year ended June 30, 2019. According to the Continuing Disclosure Certificate, significant events include:

1. principal and interest payment delinquencies.
2. non-payment related defaults.
3. modifications to rights of Bondholders.
4. optional, contingent or unscheduled bond calls.
5. defeasances.
6. rating changes.
7. adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. unscheduled draws on the debt service reserves reflecting financial difficulties.
9. unscheduled draws on the credit enhancements reflecting financial difficulties.
10. substitution of the credit or liquidity providers or their failure to perform.
11. release, substitution or sale of property securing repayment of the Bonds.

Schedule 21
City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2018-19
$4,061,917
PISMO BEACH PUBLIC FINANCING AGENCY
(SAN LUIS OBISPO COUNTY, CALIFORNIA)
SERIES 2017B LEASE REVENUE REFUNDING BONDS
(ENERGY EFFICIENT AND SOLAR PROJECT)

Content of Annual Reports

(iii) Audited financial statements of the City:
This exhibit is attached to the City's audited financial statements.

(iv) Operating data, including the following information with respect to the City's preceding Fiscal Year (to the extent not included in the audited financial statements described in paragraph (a) above):

(e) Outstanding indebtedness and lease obligations;
Please see information in the audited financial statements.

(f) General fund budget and actual results;
Please see information in the audited financial statements.

(g) Assessed valuations; and
Please see information in the audited financial statements.

(h) Largest local secured taxpayers.
Please see information in the audited financial statements.

Reporting of Significant Events

There were no significant events that occurred during the Fiscal Year ended June 30, 2019. According to the Continuing Disclosure Certificate, significant events include:

1. principal and interest payment delinquencies.
2. non-payment related defaults.
3. modifications to rights of Bondholders.
4. optional, contingent or unscheduled bond calls.
5. defeasances.
6. rating changes.
7. adverse tax opinions or events affecting the tax-exempt status of the Bonds.
8. unscheduled draws on the debt service reserves reflecting financial difficulties.
9. unscheduled draws on the credit enhancements reflecting financial difficulties.
10. substitution of the credit or liquidity providers or their failure to perform.
11. release, substitution or sale of property securing repayment of the Bonds.

Schedule 22
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2018-19

Table 1: Ten Largest Customers of Water Enterprise

	Customer Name	Consumption	Water Revenue	% of Total
1	Cliff's Shell Beach	11,867	$ 45,292.91	1.26%
2	Pismo Coast Village	11,319	$ 48,504.75	1.34%
3	Pismo Beach Mobile Home Park	10,295	$ 44,746.67	1.24%
4	Oxford Suites Resort	6,914	$ 26,955.38	0.75%
5	Dolphin Bay Hotel	6,835	$ 28,276.58	0.78%
6	Pismo Lighthouse Suites	7,600	$ 27,986.65	0.78%
7	Motel 6, Inc.	5,953	$ 23,588.53	0.65%
8	Pismo Dunes Resort - Meter #1	5,878	$ 23,313.28	0.65%
9	Pismo Dunes Resort - Meter #2	5,805	$ 23,045.37	0.64%
10	Seacrest Resort	5,688	$ 22,615.98	0.63%
	Total	78,154	$ 314,326.10	8.71%
	Other Customers		$ 3,292,698.90	91.29%
	Total Revenues		$ 3,607,025.00	100.00%

Table 2: Changes in the Service Area and Customer Base for Water Enterprise/Statement of Connections and Sales Revenues for Water Enterprise

Customer Base & Water Sales Revenue	
Customer Base	**Number of Customers**
Residential	3,749
Apartments	320
Commercial/Industrial	244
Other	232
Total All Customers	4,545
Water Sales Revenue	$3,607,025

Schedule 22 – Page 2
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2018-19

Table 3: Rates and Charges for Water Deliveries for Fiscal Year Most Recently Concluded

Water Service Rates	
Minimum Monthly Service Charge: $14.51	
Additional Charge per 100 Cubic Feet of Water Used: $2.97 0-10; $3.67 11-20; $4.34 21-35; $5.93 Over 35	
Water Set-up Fee per Account: $60.00	
48 Hour Door Hanger Fee: $36.00	
Re-connection Fees:	During Business Hours: $86.00
	After Hours: $199

Table 4: Additional information:

Additional Information	
Number for actual water deliveries : 1,646 Acre Feet	
Impact Fees/Utility Tax:	
Type: Water Tax	Revenue Received: $1,362,579
Type: Impact Fees	Revenue Received: $643,909

Schedule 22 – Page 3
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2018-19

CITY OF PISMO BEACH

	Audited FY 18-19
REVENUES	
Water Sales	$3,607,025
Interest	420,415
Assessments	1,362,579
Other Revenue	845,392
TOTAL REVENUES	$6,235,411
OPERATING EXPENSES	
Administration and General	$ 799,592
Lopez Contract Payments	1,389,272
Operations & Maintenance	1,271,414
Utilities	120,731
TOTAL OPERATING EXPENSES	$3,581,009
NET REVENUES	$2,654,402
State Water Payments	$1,616,219
TOTAL CONTRACT PAYMENTS	$1,616,219
COVERAGE RATIO	1.64
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$1,038,183**

OTHER INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

City Council
City of Pismo Beach
Pismo Beach, California

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pismo Beach, California (the "City"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 16, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of

Richard A. Teaman, CPA • David M. Ramirez, CPA • Javier H. Carrillo, CPA • Bryan P. Daugherty, CPA • Joshua J. Calhoun, CPA
4201 Brockton Avenue Suite 100 Riverside CA 92501 951.274.9500 TEL 951.274.7828 FAX www.trscpas.com

financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Teaman Ramirez & Smith, Inc.

Riverside, California
December 16, 2019