2020

CAFR

FOR FISCAL YEAR ENDED JUNE 30, 2020



CITY OF PISMO BEACH
CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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City of Pismo Beach Tourism & Events Department
Pismo Beach Pier Plaza

CITY OF PISMO BEACH, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2020

Prepared By:

Administrative Services Department



Introductory Section

City of Pismo Beach, California
Comprehensive Annual Financial Report
Year Ended June 30, 2020

TABLE OF CONTENTS

		PAGE
I	**INTRODUCTORY SECTION**	
	Table of Contents	i - iii
	Letter of Transmittal	iv - xiv
	List of Principal Officials	xv
	Organizational Chart	xvi
	Government Finance Officers Association Certificate of Achievement	xxii
II	**FINANCIAL SECTION**	
	Independent Auditors' Report	1 - 3
	Management's Discussion and Analysis	4 - 16
	Basic Financial Statements:	
	Government-wide Financial Statements:	
	Statement of Net Position	17 - 18
	Statement of Activities	19 - 20
	Fund Financial Statements:	
	Balance Sheet - Governmental Funds	21 - 22
	Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	23
	Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds	24 - 25
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities	26
	Statement of Net Position - Proprietary Funds	27 - 30
	Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	31 - 32
	Statement of Cash Flows - Proprietary Funds	33 - 36
	Statement of Fiduciary Net Position - Fiduciary Fund	37
	Statement of Changes in Fiduciary Net Position - Fiduciary Funds	38
	Notes to Financial Statements	39 - 80
	Required Supplementary Information:	
	Budgetary Comparison Schedule - General Fund	81
	Budget and Actual Schedule - Housing In-Lieu Special Revenue Fund	82
	Budget and Actual Schedule - Local Business Improvement Fund	83
	Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios as of the Measurement Date - CalPERS Pension Plan	84
	Schedule of Plan Contributions - CalPERS Pension Plan	85
	Schedule of Changes in the Net OPEB Liability and Related Ratios	86
	Schedule of Contributions - OPEB	87
	Notes to Required Supplementary Information	88 - 89

TABLE OF CONTENTS - Continued

	PAGE
Supplementary Schedules:	
Non-major Governmental Funds:	90 - 91
Combining Balance Sheet	92 - 95
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	96 - 99
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Capital Projects Fund	100
State Gas Tax Fund	101
Local Transportation Streets Fund	102
Public Education Grant Fund	103
Noncapital Grants Fund	104
Chapman House Estate Fund	105
Public Facilities Fund	106
Park Development Fund	107
Circulation Improvement Fund	108
Impact Fees Fund	109
Developer Impact Fees Fund	110
Underground Utility Fund	111
City of Pismo Beach Public Financing Agency Fund	112
Indio/El Portal Assessment District Fund	113
Visalia Assessment District Fund	114
Reassessment District Fund	115
Non-major Proprietary Funds	116
Combining Statement of Net Position	117
Combining Statement of Revenues, Expenses, and Changes in Net Position	118
Combining Statement of Cash Flows	119 - 120
Internal Service Funds	121
Combining Statement of Fund Net Position	122
Combining Statement of Revenues, Expenses, and Changes in Net Position	123
Combining Statement of Cash Flows	124 - 125
Other Schedules	
Comparative Schedule of Capital Assets by Source	126
Schedule of Changes in Capital Assets by Source	127
Schedule of Capital Assets by Function and Activity	128
Schedule of Changes in Capital Assets by Function and Activity	129
Statement of Changes in Assets and Liabilities - San Luis Obispo County Tourism Fund	130
III STATISTICAL SECTION	
Financial Trends Information:	
Net Position by Component	131 - 132
Changes in Net Position	133 - 136
Fund Balances of Governmental Funds	137 - 138
Changes in Fund Balance of Governmental Funds	139 - 140
Revenue Capacity Information:	
Assessed Value and Estimated Actual Value of Taxable Property	141

TABLE OF CONTENTS - Continued

		PAGE
III	**STATISTICAL SECTION - Continued**	
	Revenue Capacity Information: - Continued	
	Direct and Overlapping Property Tax Rates	142
	Principal Property Taxpayers	143 - 144
	Property Tax Levies and Collections	145
	Sales Tax Revenue Base Data	146
	Principal Sales Tax Generators by Industry - Revenue Base Concentration Data	147 - 148
	Principal Sales Tax Payers - Top 25	149 - 150
	Transient Occupancy Tax Revenue Base Data	151
	Transient Occupancy Tax - Principal Payers and Other Data	152
	Principal Transient Occupancy Tax Payers - Top Ten	153
	Water and Sewer Rates for Single Family Residents	154
	Principal Water and Wastewater Payers	155
	Principal Water Sales Purchasers	156
	Debt Capacity Information:	
	Ratios of Outstanding Debt by Type	157 - 158
	Ratios of General Bonded Debt Outstanding	159
	Direct and Overlapping Governmental Activities Debt	160
	Legal Debt Margin Information	161
	Pledged Revenue Coverage	162 - 163
	Demographic and Economic Statistics Information:	
	Demographic and Economic Statistics	164
	Principal Employers	165 - 166
	Full-time Equivalent City Government Employees by Function	167
	Operating Information:	
	Operating Indicators by Function/Program	168
	Capital Assets Statistics by Function/Program	169
	Bond Issue Continuing Disclosure Information:	
	Series 2012 Wastewater Refunding Revenue Bonds	170 - 174
	Series 2017A Lease Revenue Refunding Bonds	175
	Series 2017B Lease Revenue Refunding Bonds	176
	Continuing Disclosure for Water Enterprise Fund	177 - 179

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* 180- 181

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December 15, 2020

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, 2020. 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, 2020 and marks the nineteenth 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, 2020 are free of material misstatements. 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, 2020 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 8,139 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 COVID-19 pandemic has disrupted the global economy, with devastating impacts on national and local economies. The U.S. economy for FY 2020 contracted by 6.5%. Looking quarter by quarter, the economy grew by 2.1% in each of the first two quarters of FY 2020, then contracted by 3.5% in the third quarter (January through March 2020) and further contracted by 26.5% in the fourth quarter (April 2020 through June 2020) (Source: California Department of Finance April 2020 forecast). This growth represents the change 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. This contraction came as a result of COVID-19 mitigation efforts that closed businesses and schools for most of the nation as the public hunkered down in their homes to avoid getting and spreading COVID-19.

Looking forward into FY 2021 and FY 2022, the **U.S. economic outlook is positive as the U.S. develops better COVID-19 treatments, has positive news of COVID-19 vaccines beginning to roll out in December 2020 and phased rollouts through July 2020. Real GDP is projected to grow by 8.4% in FY 2021 compared to FY 2020 and projected growth of 4.3% in FY 2022 compared to FY 2020** (Source: California Department of Finance April 2020 forecast). The Federal Open Market Committee (FOMC) released its September 16, 2020 economic projections, which indicate that the U.S. economy is estimated to contract by 3.7% in calendar year 2020 and is estimated to grow at a rate of 4.0% in 2021 and 3.0% in 2022. This growth represents the median estimate forecast in real GDP. According to the FOMC, GDP growth between the 2.0% to 3.0% per year is the ideal range. The Committee also sees improvement in the national unemployment rate, currently projected to be 7.6% in 2020, and decreasing to a projected 5.5% and 3.5% in 2021 and 2022, 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 personal consumption expenditures (inflation) will be 1.7% in 2021 and 1.8% in 2022, while the 2020 projection is 1.2%. The FOMC sets monetary policy by reviewing the rate of inflation, and because the 2020 rate of 1.2% is currently below its target 2.0%, the Committee is maintaining the federal funds rate at 0 to 0.25. **In summary, the U.S. economic outlook for FY 2021 and FY 2022 is healthy and expanding, coming out of the brief but dramatic contraction in FY 2020.**

"The U.S. economic outlook for FY 2021 and FY 2022 is healthy and expanding, coming out of the brief but dramatic contraction in FY 2020."

State of California Economy

According to the California Department of Finance's economic projections from April 2020, California consumer price index for urban consumers (CPI-U) increased by 2.3% in FY 2020 compared the previous year due to stronger growth of 3% in the first two quarters, offset by slower growth of 1% or no growth in the last two quarters due to the impact of the COVID-19 pandemic and corresponding mitigation efforts like closing businesses and schools and discouraging traveling. California CPI-U is expected to grow to 1.1% in FY 2021 compared to FY 2020 and grow by 3.7% in FY 2022 compared to FY 2021. These projections may improve with the recent positive news of the roll out of vaccines beginning in December 2020 through July 2021. According to the California Legislative Analyst's Office, **the state's fiscal health is currently positive and the future-year outlook continues to improve**. Overall, unemployment is projected to slowly decline by 1.0% (to a projected 9.8%) in calendar year 2021 and 1.6% (to a projected 8.2%) in calendar year 2022, and is not expected to fully recover until 2025 or later. However, personal income is expected to grow by 0.5% and 2.4%, respectively, in calendar 2021 and 2022.

California Housing Trends

Housing costs and rents are high and housing affordability is a major concern for the state. However, property values are still a bright spot in the overall California economy. 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. **Housing markets slowed briefly in the early months of the pandemic and recently picked up speed as home price growth increased, driven by historically low interest rates, and is projected to increase through 2021.** There is also a projected return to normal levels of home building activity.

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 was hit hard by the COVID-19 pandemic, wreaking havoc on travel, transient occupancy tax revenues, decreased lodging property occupancy, and decreased room rates. According to Visit California's *California Regional Lodging Forecast* from October 2020, total occupancy declined by 36% in calendar year 2020 compared to 2019 and room revenues dropped by 55% in 2020 compared to 2019. Looking forward, occupancy is projected to increase by 25% in 2021 and then another 15% in 2022, and lodging revenue is projected to increase by 49% in 2021 compared to 2020 and another 29% in 2022. This growth still does not put occupancy or lodging revenues statewide back to the 2019 levels.

City of Pismo Beach Economy

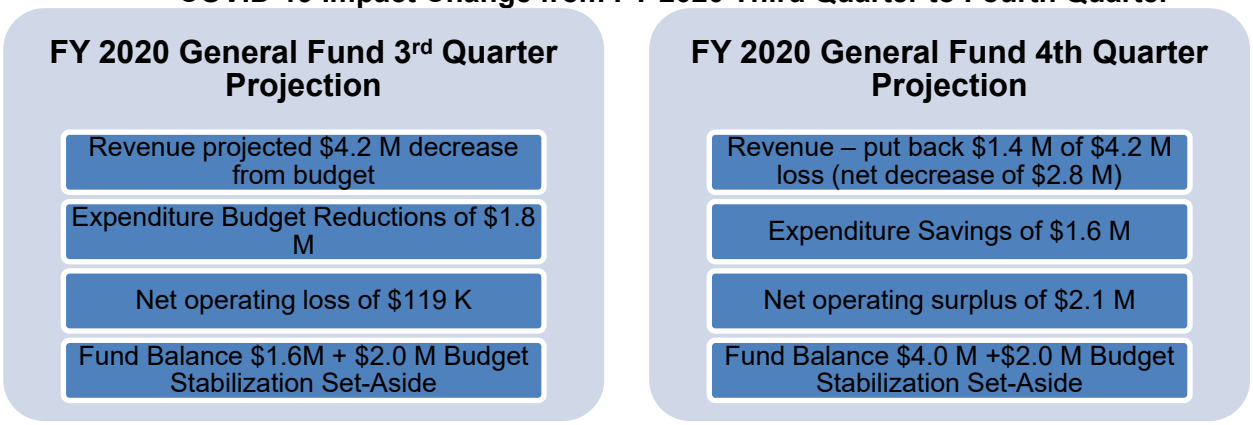
The City of Pismo Beach is subject to the same economic impacts of the U.S. and the State of California. However, Pismo Beach is more reliant upon tourism compared to the average city. The City's primary visitors come from the San Joaquin Valley, who visit the city largely during the summer to escape 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 speed in the third quarter of 2020 (July 2020 through September 2020), 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 Smith Travel Research, room revenues in Pismo Beach decreased by 8.7% during FY 2019, largely due to occupancy decreasing by 12.6% and average daily room rates decreasing by 2.8%, to $184. Unlike neighboring cities in the County and the overall statewide trend, visitors continue to visit Pismo Beach to socially distance on the beach. FY 2020 transient occupancy tax (TOT) revenues decreased by 10% compared to the previous year and FY 2021 transient occupancy tax revenues are projected to increase by 128%, which includes an additional 1% TOT effective January 1, 2021. General Fund revenues are expected to increase in FY 2021 by 6.6% compared to FY 2020 projected actual revenues, largely reflecting increased room rates and the additional 1% TOT.

City's Response to Economic Issues

In March 2020, the COVID-19 pandemic began impacting the City of Pismo Beach. The City responded with an emergency declaration and enforcing various social distancing measures including the shelter at home order. To help mitigate the spread of coronavirus, only non-essential services and businesses were allowed to operate, and only essential travel were allowed. On April 21, 2020, the Council took action and adopted Resolution No. R-2020-045 to adjust the budget to reflect projected revenue declines of $4.2 million in the General Fund largely in transient occupancy tax and sales & use tax revenues; and adjusted expenditure reductions of $1.8 million from reducing non-essential services, delaying projects that have not yet started, and shifting contract consultant work back to City staff.

In May and June 2020 when the economy started to re-open and more visitors came to Pismo Beach, the City was able to recover a significant portion ($1.40 million) of the $4.2 million projected revenue loss for a net decrease of $2.8 million of revenues. Due to expenditure savings across all categories in the General Fund, the City is projected to save $1.62 million in operating expenditures. The following chart illustrates the COVID-19 impact on the FY 2020 General Fund budget from the third quarter to the fourth quarter.

COVID-19 Impact Change from FY 2020 Third Quarter to Fourth Quarter



In response to these economic issues, the City's Budget includes conservative revenue projections, fully funds its reserves, includes a Budget Stabilization Reserve to help weather reduced revenues during a recession. The City established a Capital Projects set-aside to support upcoming Public Safety Facility, community investments, and the new parking garage. The City may also consider paying down its CalPERS unfunded pension liability with one-time prepayments. The City's 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.

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
- 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 2020.

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 2020 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 in 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 2020, including: Shell Beach Streetscape project, Pier Plaza / Pier Parking lot project, and Pier Airstreams.

Public Safety: Provide funding to maintain adequate levels of safety for citizens and visitors of Pismo Beach. The City supported the Police Department's re-accreditation for the CALEA program, the new accreditation of the Police Department's Communication Center, personnel, vehicles, equipment, and gear for Police officers and support staff, 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 5-year rates for Water and Wastewater Fees effective June 5, 2019. In FY 2020, these fees were updated to reflect the rate changes on January 1, 2020. The City is working with other agencies on a Central Coast Blue water reclamation project that is supported by these fees.

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 2020 for the implementation of the Pier Plaza and Pier Parking lot project; the Shell Beach Streetscape project, visitor-serving Airstreams on the Pismo Pier; and the Central Coast Blue project that will bring more jobs to the Central Coast.

Capital/Fixed Assets: Capital Assets as defined by GASB include land, improvements to land, easements, building, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. This definition and the City's Capital Assets Policy and Procedures are included in the City's Purchasing Policy. In FY 2020, the City purchased two properties, one in Grover Beach for the Central Coast Blue project and one property in Downtown Pismo Beach for a potential new parking garage.

Projects Accomplished in FY 2020

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 2020. The following list highlights some of the most significant accomplishments in FY 2020.

Infrastructure Maintenance and Beautification

- ✓ Construction of the Pier Plaza, including new restrooms, access improvements, visitor amenities, public art, and parking lot improvements
- ✓ Installation of new banners on the Pier to create a sense of place
- ✓ Purchase and installation of additional downtown trash cans for a uniform look and litter prevention
- ✓ Completed the preliminary design for Old City Hall/future Public Safety Facility
- ✓ Circulation Element Update approved and certified by the California Coastal Commission
- ✓ Shell Beach Streetscape project – multi-use pathway, ADA curb ramps and sidewalks, landscaping, public art, waterline, and storm drain infrastructure improvements
- ✓ Downtown trashcan replacement
- ✓ Began construction to replace the Bello Bridge
- ✓ Draft Environmental Impact Report and scoping work towards the Central Coast Blue project for a regional recycled water facility
- ✓ Completed environmental and entitlement work for the Central Coast Blue Test Injection Wells in the Coastal Dunes RV Park
- ✓ Wastewater Treatment Plant Improvement project
- ✓ Five Cities Lift Station and Vista Del Mar Lift Station upgrades
- ✓ Completed adding three Airstream trailers including a food truck, visitor information, and a bait and tackle vendor

- ✓ Completed tourism support of 1% LBID assessment for the next five years to support the City's tourism related infrastructure
- ✓ Completion of the resurfacing of Palisades basketball court, tennis court, and conversion and resurfacing of four pickleball courts

Housing, Health, and Safety

- ✓ Provided frequent Zoom calls and communication to the business community regarding the State and County's COVID-19 restrictions to mitigate the impacts on health and safety of the City's residents and visitors
- ✓ Replacement of beach wheelchairs to make the beach more accessible
- ✓ Continuation of the acquisition process for Highway 1/Dolliver Street and monitor Caltrans schedule and funding for rehabilitation and improvements
- ✓ Approval of the 5th Cycle Housing Element, including the Residential Very High Density Overlay District and certification of the Overlay by the California Coastal Commission
- ✓ Approval of a 50-unit affordable housing project and over $2.5 million dollars in financial support on 4th Street
- ✓ Approval of a 26-unit senior affordable housing project and beginning negotiation of approximately $1 million dollars in financial support on Shell Beach Road
- ✓ Managed development of the 6th Cycle Housing Element
- ✓ Personal Services Ordinance update approved and certified by the California Coastal Commission
- ✓ Approval of the latest editions of the Constituent Codes of the California Building Standards Code
- ✓ Maintained the City's excellent rating with Insurance Services Officers (ISO) through the Building Code Effectiveness Grading Schedule Program
- ✓ Implemented a comprehensive traffic safety program
- ✓ Replaced Police body cameras
- ✓ Updated existing City of Pismo Beach All Risk Pre-Attack Map
- ✓ Established early hire/recruitment program which provided better prepared and trained Rookie Lifeguards for peak season staffing
- ✓ Improved Dangerous Area Rescue Team program with over 50% increase in beach visitors
- ✓ Completed Citywide Business/Hotel Inspection Program and implemented R-2 State Mandated Inspection Program
- ✓ Completed Vegetation Management Projects at Price House, Pismo Preserve, Heights Escape Route, Cave/Bluffs, Frady/Caltrans, Coral Court, and Ontario Repeater Site.
- ✓ Replaced Battalion Chief Command Vehicle and RWC-Boat 64, including implemented a training RWC Program

Preservation of essential services and fiscal health

- ✓ Managed the impact of COVID-19 shelter at home and business closures with quick responses by the City Council to adjust the budget and reduce expenditures to ensure the City's funds were structurally balanced
- ✓ 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

Economic Development

- ✓ Began the process of updating the General Plan/Local Coastal Plan that will provide the roadmap for future development for the City
- ✓ Installed new play equipment at Spyglass Park
- ✓ Completed a single-space parking meter trial and expanded the program
- ✓ Special events continue to be popular for the local community, such as virtual Halloween Spooktacular and drive-through Jingle Express

Community Awareness and Communication

- ✓ 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
- ✓ Partnered with San Luis Obispo County to update the Local Hazard Mitigation Plan required by the Disaster Mitigation Act of 2000
- ✓ Managed and successfully executed City event including the virtual Clam Festival
- ✓ Launched the new Police MyCop smart device app to engage the public about the MyCop program

FY 2021 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:

- 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
- Enhance the cleanliness of the newly constructed Pier Plaza and Pier Parking lot area
- 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
- 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 City improvements
- 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

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, 2019. 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

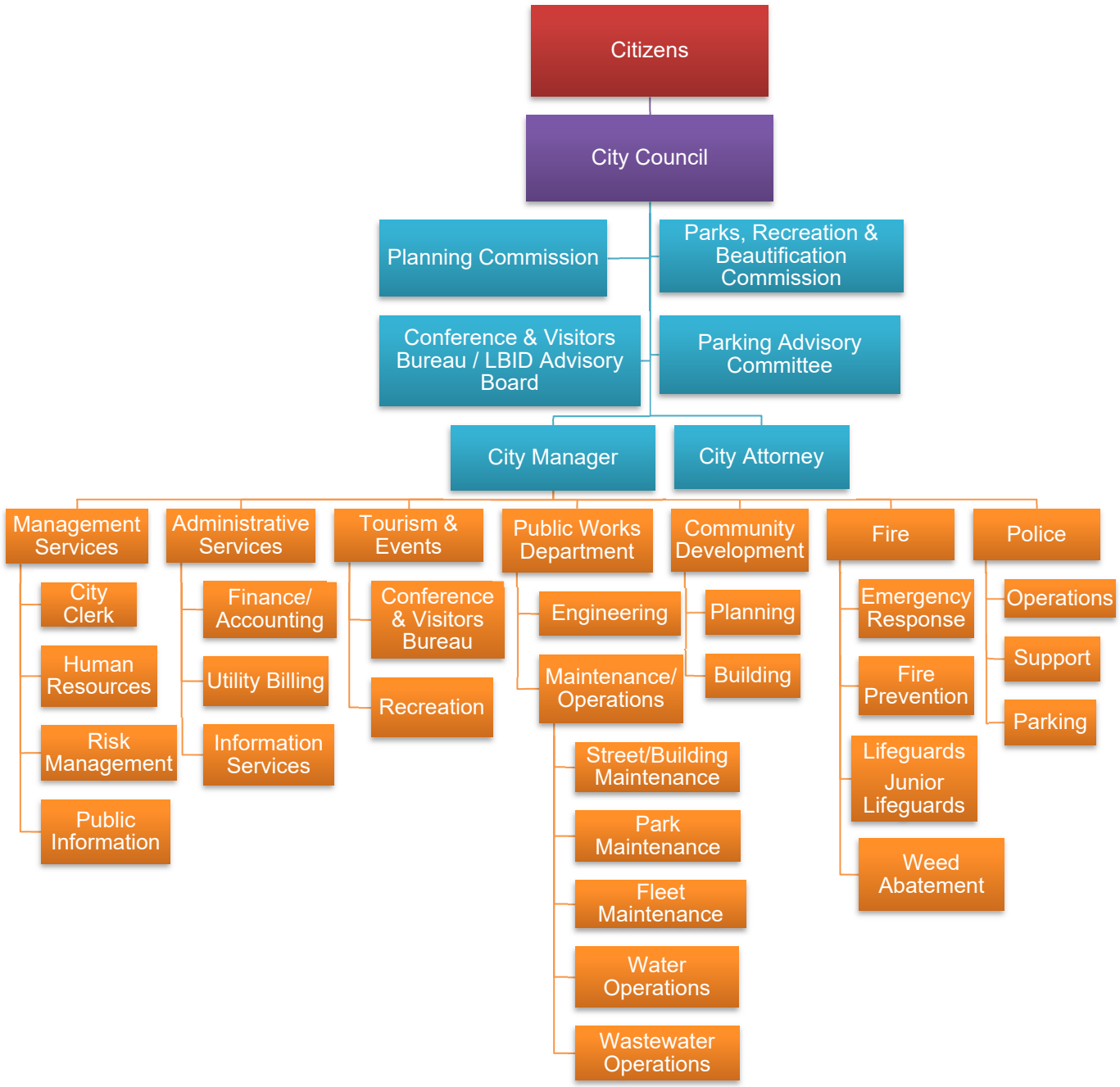
Executive Management Team

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	Chére Valencia
Accounting Clerk	Dawn Meisner
Accounting Clerk	Brenda Alvarado
Office Assistant	Patty Geiselhart

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, 2019

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 the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Pismo Beach, California (the "City") as of and for the year ended June 30, 2020, 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, 2020, 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. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* 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 as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 15, 2020, 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 15, 2020

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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, 2020. 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 $20.29 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 $145.72 million at the end of the 2020 fiscal year. Of that amount, $28.11 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 $14.14 million compared to the 2019 fiscal year. The increase in revenues was primarily in: capital grants and contributions of $12.34 million, which reflects including the Chapman Estate property as part of the City's fixed assets; other revenues of $1.67 million; operating grants and contributions of $0.62 million; charges for services of $0.49 million; and property, sales, and other taxes of $0.12 million.

- Transient Occupancy Tax Revenues decreased by $1.10 million, or 10.48%, in the 2020 fiscal year to $9.40 million. This is primarily due to the impact of the COVID-19 global pandemic and related mitigation efforts, including shelter at home order, non-essential travel restrictions, and other mitigating efforts.

- The City's total expense of all programs in the 2020 fiscal year increased by about $4.51 million compared to the 2019 fiscal year, primarily due to large capital projects nearing completion.

- The General Fund reported a fund balance of $21.44 million at the end of the 2020 fiscal year; a 12.02 percent decrease from the end of the 2019 fiscal year, reflecting spending down the accumulated fund balance on the Shell Beach Streetscape and the Pier Plaza projects. The General Fund unassigned balance at the end of fiscal year 2020 was $8.41 million.

- The City also ended the 2020 fiscal year with $18.00 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 2020 fiscal year with about $4.71 million available for special purposes.

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 $20.29 million between fiscal years 2019 and 2020.

Table A-1
City of Pismo Beach's Net Position

(in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019-2020
Current and other assets	$36.14	$40.51	$20.89	$23.60	$57.03	$64.11	-11.04%
Capital assets	79.86	54.73	50.36	45.92	130.22	100.65	29.38%
Other noncurrent assets	1.53	1.50	-	-	1.53	1.50	2.00%
Total assets	**$117.53**	**$96.74**	**$71.25**	**$69.52**	**$188.78**	**$166.26**	**13.55%**
Deferred Outflows	4.42	5.34	0.87	1.06	5.29	6.40	-17.34%
Long-term debt outstanding	26.71	26.40	10.76	12.47	37.47	38.87	-3.60%
Other liabilities	6.91	4.65	1.81	2.03	8.72	6.68	30.54%
Total liabilities	**$33.62**	**$31.05**	**$12.57**	**$14.50**	**$46.19**	**$45.55**	**1.41%**
Deferred Inflows	1.82	1.45	0.34	0.02	2.16	1.47	46.94%
Net position							
Investment in capital	68.74	43.36	41.21	35.56	109.95	78.92	39.32%
Restricted	5.37	5.98	2.29	3.49	7.66	9.47	-19.11%
Unrestricted	12.40	20.26	15.71	16.78	28.11	37.04	-24.11%
Total net position	**$86.51**	**$69.60**	**$59.21**	**$55.83**	**$145.72**	**$125.43**	**16.18%**

Net position of the City's governmental and business-type activities increased 16.18 percent to $145.72 million. About 75.5 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 24.6 percent is essentially represented by cash, investments, and receivables. About 81.4 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 2020 total revenues of about $58.74 million were about $14.14 million higher than revenues in fiscal year 2019, a 31.7 percent increase. (See Table A-2.) About 38.0 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.

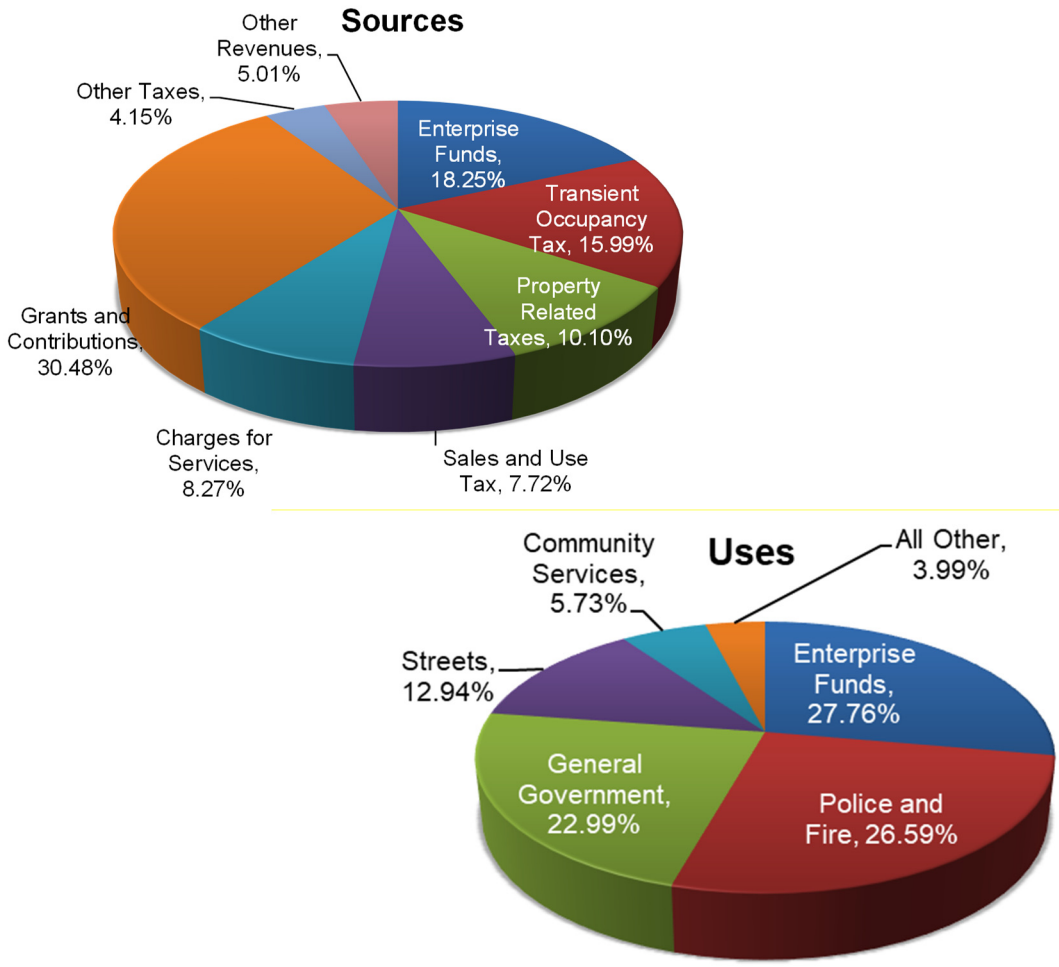
Expenses: The total cost of all programs and services in fiscal year 2020 was about $38.45 million and included a wide range of services such as police and fire protection, streets, public works, general administration, community services, water, wastewater, parking, pier, and the transit operations.

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
	2020	2019	2020	2019	2020	2019	2019-2020
Revenues							
Program revenues							
Charges for services	$4.86	$4.43	$10.72	$10.66	$15.58	$15.09	3.25%
Operating grants and contributions	2.63	2.01	-	-	2.63	2.01	30.85%
Capital grants and contributions	15.28	2.51	-	0.43	15.28	2.94	419.73%
General revenues							
Transient occupancy taxes	9.40	10.50	-	-	9.40	10.50	-10.48%
Property, sales and other taxes	11.51	11.43	1.40	1.36	12.91	12.79	0.94%
Other	1.14	1.11	1.80	0.16	2.94	1.27	131.50%
Total revenues	**$44.82**	**$31.99**	**$13.92**	**$12.61**	**$58.74**	**$44.60**	**31.70%**
Expenses							
General government	8.84	7.39	-	-	8.84	7.39	19.62%
Public safety	10.23	9.35	-	-	10.23	9.35	9.41%
Streets	1.04	0.77	-	-	1.04	0.77	35.06%
Public works	4.98	4.14	-	-	4.98	4.14	20.29%
Community services	2.20	1.75	-	-	2.20	1.75	25.71%
Water	-	-	6.18	5.61	6.18	5.61	10.16%
Wastewater	-	-	3.67	3.49	3.67	3.49	5.16%
Other	0.49	0.58	0.82	0.86	1.31	1.44	-9.03%
Total expenses	**$27.78**	**$23.98**	**$10.67**	**$9.96**	**$38.45**	**$33.94**	**13.29%**
Excess (deficiency) before transfers/other	17.04	8.01	3.25	2.65	20.29	10.66	90.34%
Transfers	(0.13)	(2.90)	0.13	2.90	-	-	0.00%
Prior year restatement	-	-	-	-	-	-	100.00%
Increase (decrease) in net position	**$16.91**	**$5.11**	**$3.38**	**$5.55**	**$20.29**	**$10.66**	**90.34%**
Net position, beginning of year	**$69.60**	**$64.49**	**$55.83**	**$50.28**	**$125.43**	**$114.77**	
Net position, end of year	**$86.51**	**$69.60**	**$59.21**	**$55.83**	**$145.72**	**$125.43**	**16.18%**

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 2020 fiscal year increased by about $12.83 million compared to the 2019 fiscal year. The primary increase was from capital grants and contributions of $12.77 million. Operating grants and contributions increased by $0.62 million. Charges for services increased by $0.43 million. Property, sales, and other taxes increased by $0.08 million from fiscal year 2019. Other revenues increased by $0.03 million. These increases were offset by the transient occupancy taxes decrease by $1.10 million from the previous year.

The City's primary source of revenue comes from some kind of tax. About 46.7 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 21.0 percent of all governmental activities revenues come from transient occupancy tax revenues (the local hotel tax). Local hotel tax revenues came in lower than fiscal year 2019 by 10.5 percent or $1.10 million. Sales tax revenues, including the Half-Cent Transactions Sales and Use Tax revenues, came in 5.78 percent lower than fiscal year 2019. Sales and

use tax revenues excluding the Half-Cent Sales Tax revenues, came in $194,468 lower than fiscal year 2019. Half-Cent Sales Tax revenues came in 5.26 percent lower by $84,104 compared to fiscal year 2019. Both transient occupancy tax and sales and use tax revenues declined in 2020 compared to 2019 largely due to the impact of the COVID-19 global pandemic and related mitigation efforts, including shelter at home order, non-essential travel restrictions, and other mitigating efforts.

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 36.8 percent of the City's total fiscal year 2020 governmental operating expenses. Public works costs including maintenance of buildings, parks, and other City facilities account for about 17.9 percent of the City's total fiscal year 2020 governmental operating expenses. Another 7.9 percent of the City's fiscal year 2020 governmental activities operating expenses were incurred to provide community services in Pismo Beach. The remaining 37.3 percent was spent on streets, general administration, and other expenses.

When all operations were concluded, the governmental activities function generated a $16.91 million increase in net position for fiscal year 2020 compared to a $5.11 million increase in fiscal year 2019.

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
	2020	2019	2019-2020
General Government	$8.84	$7.39	19.62%
Public Safety	10.23	9.35	9.41%
Community Services	2.20	1.75	25.71%
Streets	1.04	0.77	35.06%
Public Works	4.98	4.14	20.29%
All Other	0.49	0.58	-15.52%
Total	**$27.78**	**$23.98**	**15.85%**

The cost of *all programs* this year was $27.78 million, compared to $23.98 million in fiscal year 2019.

While users and contributors funded about $22.77 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 $5.01 million. Major sources of program revenues were:

- Other governments and organizations that subsidized certain programs with grants and contributions (about $17.9 million), or
- Those who directly benefited from or used the programs ($4.86 million).

The City paid for the $5.01 million "public benefit" portion out of the $22.05 million in general revenues such as property taxes, transient occupancy taxes, sales taxes, and with other tax revenues and investment earnings.

Overall, fiscal year 2020 total cost of services is showing an increase of 15.9 percent compared to fiscal year 2019. Expenses increased in General Government, Public Safety, Public Works, Streets, and Community Services. Expenses decreased in the category for All Other.

Business-Type Activities

The City's business-type activities (primarily water, wastewater, parking, and pier) were responsible for about $3.38 million increase in net position for fiscal year ending 2020. Revenues in total increased in the fiscal year 2020 by $1.31 million. Revenues for basic water services charges increased by 12.41 percent or $447,786 in fiscal year 2020. Revenues for basic sewer services charges increased by 1.77 percent or $83,719 in fiscal year 2020. Water and sewer charges revenues reflect rate changes and the impact of more water consumption as residents stay at home due to COVID-19 mitigation efforts. Parking kiosk and meter revenues decreased by 13.30 percent or $118,173 in fiscal year 2020, largely due to the sharp decline in visitors in the spring of 2020 due to the COVID-19 shelter at home order.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a *combined* fund balance of $26.15 million, about $6.49 million lower than the last fiscal year. Revenues increased by $1.42 million, most of which were in the other revenue of $1.24 million, subventions and grants category by $978,252, special assessments by $362,063, property taxes by $315,964, and investment earnings by $96,402. Expenditures increased by $9.15 million, or 32.3 percent from the previous year, most of which were in Capital Outlay of $8.03 million, General Government of $577,504, Public Works of $502,797, and Highways and Streets of $126,111, offset by decreases in the other areas.

The City's General Fund operations generated about $5.13 million more in revenues than was spent on governmental activities. From this excess, the City transferred a total of $8.20 million out of the General Fund and into other funds. From the $8.20 million in transfers, $424,689 was transferred to the Public Financing Agency Fund (PFA) for debt service, about $5.12 million was transferred out to capital projects, $467,808 was transferred to the Motor Vehicle Replacement internal service fund and Information Technology internal service fund, $99,077 was transferred to the Wastewater Fund for debt service and capital projects, and the remaining transfers went to the Pier Operations Fund. At year end, the City's General Fund had a fund balance of about $21.44 million, an increase of $2.92 million from the prior year of $24.37 million. Of the $21.44 million, about $5.62 million was designated for unanticipated emergencies and $6.07 million is designated for capital projects.

In addition, the City's non-major governmental funds ended the 2020 fiscal year with a combined fund balance of $4.71 million. Of this $4.71 million, $3.95 million can be used for affordable housing, $1.01 million in Special Revenue Funds, $116,047 in Debt Service, and the remaining $1.97 million is set aside for impact fee and capital projects. This includes a deficit fund balance in the Lodging Business Improvement District (LBID) Fund of $2.94 million, reflecting an advance from the Motor Vehicle Replacement Fund and a liability in the LBID Fund. This advance was used to support the Pier Plaza project that is funded by the LBID Fund assessment revenues that are projected to be collected over a five year period, while the project was at near completion in fiscal year 2020. 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 LBID 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 $7.67 million less than final budget amounts. Budget amendments that occurred in revenues during the year include an increase of $1.20

million in General Fund revenues of various categories. Budgeted amendments that occurred in expenditures during the year include an increase of $10.05 million, which were mainly for capital projects.

General Fund revenues that came in higher than original estimates include Sales Taxes by $499,182, Interest Earnings by $444,791, Other Taxes by $133,840, Transient Occupancy Taxes by $50,052, and Property Taxes by $38,958.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2020, the City had invested $130.21 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 $29.54 million, or a 29.35 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
	2020	2019	2020	2019	2020	2019	2019-2020
Land and right of ways	$22.92	$12.42	$3.08	$0.38	$26.00	$12.80	103.17%
Construction in progress	20.90	8.05	9.00	10.17	29.90	18.22	64.11%
Buildings	7.02	5.53	0.88	0.33	7.90	5.86	34.81%
Machinery and equipment	3.05	3.03	3.02	3.06	6.07	6.09	-0.33%
Vehicles	5.61	5.85	-	-	5.61	5.85	-4.10%
Improvements	12.20	10.43	-	-	12.20	10.43	16.97%
Tanks, wells, and system	-	-	14.22	10.28	14.22	10.28	38.33%
Pipelines/collection system	-	-	32.95	32.82	32.95	32.82	0.40%
Pier	-	-	10.37	10.59	10.37	10.59	-2.08%
Infrastructure-streets	58.98	57.82	-	-	58.98	57.82	2.01%
Accumulated depreciation	(50.82)	(48.38)	(23.17)	(21.71)	(73.99)	(70.09)	5.56%
Total	**$79.86**	**$54.75**	**$50.35**	**$45.92**	**$130.21**	**$100.67**	**29.35%**

This year's major capital asset changes included:

- *Addition of the $12.00 million Chapman Estate property as part of the City's capital assets.*
- *Construction on the Pier Rehabilitation Project spending $7.0 million*
- *Construction on the Shell Beach Streetscape Project spending $5.7 million*
- *Purchased land for the Central Coast Blue project of $1.8 million*
- *Purchased land for the future parking garage project in the amount of $1.5 million*

- *Completed replacement of waterlines for the Shell Beach Streetscape project in the amount of $0.8 million*
- *Completed the FY 2020 Streets Paving project spending $0.8 million*
- *Construction on the Five Cities Lift Station and Lift Station Maintenance Projects spending $0.7 million*
- *Began construction of the Bello Bridge replacement project spending $0.6 million*

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

Long - Term Debt

At the end of fiscal 2020, the City has $3.80 million in lease revenue bonds that were issued in 2018 by the City of Pismo Beach's Public Financing Agency for the New Clean Renewable Energy Bonds (CREBs) in the amount of $4.06 million for the Solar and Energy Storage Project. The obligation bears interest at a net effective rate of 1.73% and is payable in semi-annual installments each June and December through 2037. 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 2020, the City has $7.14 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 2020, the City had $4.08 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 2020, the State Revolving Loans had outstanding balances of $4.97 million, which included $3.44 million for the Wastewater Treatment Loan, $69,250 for the Park/Cypress Interceptor Loan, $345,290 for the Pismo Oaks Lift Station Loan, and $1.10 million for the Five Cities Lift Station Loan, after the loan forgiveness of $1.05 million. The outstanding debt for the State Revolving Loans was reduced by $585,760 for debt service principal retirements and the $1.05 million loan forgiveness for the Five Cities Lift Station Loan 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 (asset) or liability of about $109,306 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 $5.29 million in fiscal year 2020, with $4.52 million being pension related, $586,237 OPEB related, and $179,064 as unamortized loss on refunding.

The City's Deferred Inflows of resources in the Governmental Activities and Business-Type Activities totaled $2.15 million, with $1.67 million pension related, and $488,505 OPEB related.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the 2021 fiscal year, the following list of items will affect the General Fund:

- The City Council's goals call for several large capital projects that will draw down the General Fund unrestricted fund balance in FY 2021. These projects could include $1.2 million towards the Public Safety Facility project, $600,000 for Chapman Estate improvements, and future planning for a proposed parking garage that may need to be supported in part by the General Fund.

- 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.

- The City will continue to fund the CalPERS Retiree Benefit Trust and is estimated to contribute $221,000.

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.

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BASIC FINANCIAL STATEMENTS

City of Pismo Beach, California
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 31,945,394	$ 18,219,539	$ 50,164,933
Restricted Cash and Investments	37		37
Taxes Receivable	2,485,206		2,485,206
Accounts Receivable, Net	321,565	1,860,029	2,181,594
Due from Other Governments	1,340,797		1,340,797
Accrued Interest Receivable	33,045	50,858	83,903
Prepayments	11,021	756,045	767,066
Total Current Assets	36,137,065	20,886,471	57,023,536
Noncurrent Assets:			
Deposits	115,415		115,415
Note and Interest Receivable	1,413,985		1,413,985
Capital Assets, Not Being Depreciated	43,817,489	12,083,709	55,901,198
Capital Assets, Being Depreciated, Net	36,047,080	38,271,517	74,318,597
Total Noncurrent Assets	81,393,969	50,355,226	131,749,195
Total Assets	117,531,034	71,241,697	188,772,731
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding		179,064	179,064
Pension Related	3,977,685	546,900	4,524,585
OPEB Related	446,536	139,701	586,237
Total Deferred Outflows of Resources	$ 4,424,221	$ 865,665	$ 5,289,886

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Net Position - Continued
June 30, 2020

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 4,149,234	$ 665,451	$ 4,814,685
Accrued Liabilities	1,450,934	53,983	1,504,917
Current Portion of Compensated Absences	148,342	21,419	169,761
Deposits	875,922	162,836	1,038,758
Accrued Interest Payable		37,061	37,061
Current Portion of Bonds and Loans	288,307	865,635	1,153,942
Total Current Liabilities	6,912,739	1,806,385	8,719,124
Noncurrent Liabilities:			
Compensated Absences, Net of Current Portion	445,026	64,255	509,281
Bonds and Loans, Net of Current Portion	10,831,530	8,459,593	19,291,123
Net Pension Liability	14,742,330	2,014,999	16,757,329
Net OPEB Liability	693,503	216,965	910,468
Total Noncurrent Liabilities	26,712,389	10,755,812	37,468,201
Total Liabilities	33,625,128	12,562,197	46,187,325
DEFERRED INFLOWS OF RESOURCES			
Pension Related	1,445,876	220,596	1,666,472
OPEB Related	372,095	116,410	488,505
Total Deferred Inflows of Resources	1,817,971	337,006	2,154,977
NET POSITION			
Net Investment in Capital Assets	68,744,732	41,209,062	109,953,794
Restricted for:			
Debt Service	116,047		116,047
Capital Projects	439,112	2,291,691	2,730,803
Affordable Housing	3,947,984		3,947,984
Community Development	127,213		127,213
Streets	736,951		736,951
Unrestricted	12,400,117	15,707,406	28,107,523
Total Net Position	$ 86,512,156	$ 59,208,159	$ 145,720,315

The accompanying notes are an integral part of this statement.

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City of Pismo Beach, California
Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 8,839,242	$ 3,180,616	$ 971,613	$
Public Safety:				
Police Protection	7,320,891	134,092	220,689	
Fire Protection	2,904,909	40,223		
Streets	1,039,932	13,254	1,322,590	1,730,004
Community Services	2,204,009	382,976	113,284	12,000,000
Public Works	4,975,583	831,871		1,548,170
Redevelopment and Housing	66,287	277,095		
Interest on Long-term Debt	427,879			
Total Governmental Activities	27,778,732	4,860,127	2,628,176	15,278,174
Business-type Activities:				
Water	6,184,516	4,729,724		
Wastewater	3,673,374	5,020,653		
Transit	1,714			
Pier	307,658	3,300		
Parking	509,680	968,246		
Total Business-type Activities	10,676,942	10,721,923	-	-
Total Primary Government	$ 38,455,674	$ 15,582,050	$ 2,628,176	$ 15,278,174
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				
Special Item - Loan Forgiveness				
Total General Revenues, Transfers and Special Item				
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
$ (4,687,013)	$	(4,687,013)
(6,966,110)		(6,966,110)
(2,864,686)		(2,864,686)
2,025,916		2,025,916
10,292,251		10,292,251
(2,595,542)		(2,595,542)
210,808		210,808
(427,879)		(427,879)
(5,012,255)	-	(5,012,255)
	(1,454,792)	(1,454,792)
	1,347,279	1,347,279
	(1,714)	(1,714)
	(304,358)	(304,358)
	458,566	458,566
-	44,981	44,981
$ (5,012,255)	$ 44,981	$ (4,967,274)
$ 5,935,388	$	$ 5,935,388
4,537,068		4,537,068
	1,398,622	1,398,622
9,395,523		9,395,523
370,224		370,224
671,090		671,090
1,091,391	753,104	1,844,495
(455)		(455)
51,186		51,186
(126,986)	126,986	-
	1,050,000	1,050,000
21,924,429	3,328,712	25,253,141
16,912,174	3,373,693	20,285,867
69,599,982	55,834,466	125,434,448
$ 86,512,156	$ 59,208,159	$ 145,720,315

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Special Revenue: Housing In-Lieu	Special Revenue: Local Business Improvement
ASSETS			
Cash and Investments	$ 21,360,744	$ 3,938,187	$ 96,565
Cash and Investments with Fiscal Agent			
Taxes Receivable	2,205,091		280,115
Accounts Receivable	182,250		
Due from Other Governments			
Accrued Interest Receivable	16,985	5,625	1,095
Prepayments	11,021		
Note and Accrued Interest Receivable		1,413,985	
Total Assets	$ 23,776,091	$ 5,357,797	$ 377,775
LIABILITIES			
Accounts Payable	$ 366,898	$	$ 31,574
Accrued Liabilities	1,194,801		
Advances to Other Funds			3,281,791
Deposits	771,549		
Total Liabilities	2,333,248	-	3,313,365
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Note Receivable		1,409,813	
Total Deferred Inflows of Resources	-	1,409,813	-
FUND BALANCES			
Nonspendable	11,021		
Restricted for:			
Capital Project Funding			
Streets and Highways			
Community Development			
Affordable Housing		3,947,984	
Park Development			
Debt Service			
Committed for:			
City Facility Reserve	500,000		
Capital Projects	6,066,529		
Risk Management Reserve	250,000		
Assigned			
General Fund Reserve	5,624,000		
Capital Projects	585,614		
Unassigned	8,405,679		(2,935,590)
Total Fund Balances	21,442,843	3,947,984	(2,935,590)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 23,776,091	$ 5,357,797	$ 377,775

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 3,087,316	$ 3,000,992	$ 31,483,804
	37	37
		2,485,206
	66,017	248,267
1,319,006	21,791	1,340,797
	8,440	32,145
		11,021
		1,413,985
$ 4,406,322	$ 3,097,277	$ 37,015,262
$ 3,695,455	$ 6,178	$ 4,100,105
		1,194,801
		3,281,791
	104,373	875,922
3,695,455	110,551	9,452,619
		1,409,813
-	-	1,409,813
		11,021
	274,069	274,069
	736,951	736,951
	127,213	127,213
		3,947,984
	165,043	165,043
	116,047	116,047
		500,000
	1,233,770	7,300,299
		250,000
		5,624,000
710,867	333,633	1,630,114
		5,470,089
710,867	2,986,726	26,152,830
$ 4,406,322	$ 3,097,277	$ 37,015,262

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2020

Fund Balances of Governmental Funds		$ 26,152,830
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	124,931,097
	Accumulated Depreciation	(47,679,814)
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.		115,415
Deferred outflows of resources in governmental activities are not financial resources and, therefore, are not reported in governmental funds. This amount reflects deferred outflows related to pensions and other postemployment benefits (OPEB).		4,424,221
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.		1,413,985
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	(11,119,837)
	Compensated Absences	(579,186)
	Claims Liability	(251,732)
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.		(14,742,330)
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		(693,503)
Deferred inflows of resources in governmental activities are not financial resources and, therefore, are not reported in governmental funds. This amount reflects deferred outflows related to pensions and other postemployment benefits (OPEB).		(1,817,971)
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.		6,358,981
Net Position of Governmental Activities		$ 86,512,156

The accompanying notes are an integral part of this statement.

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City of Pismo Beach, California
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
Year Ended June 30, 2020

	General Fund	Special Revenue: Housing In-Lieu	Special Revenue: Local Business Improvement
REVENUES			
Property Taxes	$ 5,935,388	$	$
Sales Taxes	4,537,068		
Transient Occupancy Taxes	9,395,523		
Other Taxes	1,003,495		
Licenses and Permits	839,257		
Fines and Forfeits	49,165		
Subventions and Grants	977,188		
Investment Earnings	774,791	137,012	39,816
Rental Income	185,524		
Charges for Services	197,559	277,095	
Special Assessments			1,877,696
Miscellaneous	1,275,879		
Total Revenues	25,170,837	414,107	1,917,512
EXPENDITURES			
Current:			
General Government	5,914,193		1,575,345
Public Safety	8,972,441		
Highways and Streets	744,214		
Community Services	1,445,898		
Public Works	2,871,610		
Housing		10,976	
Capital Outlay	92,085		
Debt Service:			
Principal			
Interest and Fiscal Charges			
Total Expenditures	20,040,441	10,976	1,575,345
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,130,396	403,131	342,167
OTHER FINANCING SOURCES (USES)			
Transfers In	146,490		
Transfers Out	(8,200,745)		(4,050,256)
Total Other Financing Sources (Uses)	(8,054,255)	-	(4,050,256)
Net Change in Fund Balances	(2,923,859)	403,131	(3,708,089)
Fund Balance (Deficit), Beginning of Year	24,366,702	3,544,853	772,499
Fund Balance (Deficit), End of Year	$ 21,442,843	$ 3,947,984	$ (2,935,590)

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
$	$	$ 5,935,388
		4,537,068
		9,395,523
		1,003,495
		839,257
		49,165
1,694,796	776,193	3,448,177
	107,167	1,058,786
		185,524
	154,872	629,526
		1,877,696
1,548,170	86,553	2,910,602
3,242,966	1,124,785	31,870,207
		7,489,538
		8,972,441
141,880	5,082	891,176
	19,403	1,465,301
		2,871,610
	55,311	66,287
14,665,871	268,672	15,026,628
	272,307	272,307
	434,033	434,033
14,807,751	1,054,808	37,489,321
(11,564,785)	69,977	(5,619,114)
11,409,393	658,849	12,214,732
(1,081)	(832,070)	(13,084,152)
11,408,312	(173,221)	(869,420)
(156,473)	(103,244)	(6,488,534)
867,340	3,089,970	32,641,364
$ 710,867	$ 2,986,726	$ 26,152,830

The accompanying notes are an integral part of this statement.

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, 2020

Net Change in Fund Balances - Total Governmental Funds	$	(6,488,534)
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.		32,605
Changes in deposits with insurance pools do not provide current financial resources and are not reported in the governmental funds.		289
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		14,914,414
Depreciation Expense		(2,861,453)
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.		12,915,535
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.		278,461
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.		(87,713)
Changes in actuarially determined claim liabilities for uninsured claims do not provide current financial resources and are not reported in the governmental funds.		(178,433)
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.		(1,831,549)
The net expense of activities of internal service funds is reported within governmental activities.		218,552
Change in Net Position of Governmental Activities	$	16,912,174

The accompanying notes are an integral part of this statement.

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City of Pismo Beach, California
Statement of Net Position
Proprietary Funds
June 30, 2020

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 7,452,801	$ 9,183,561	$ 1,101	$ 1,582,076
Accounts Receivable	895,860	931,448		32,721
Accrued Interest Receivable	16,001	32,142		2,715
Prepayments	755,350			695
Advances from Other Funds				
Total Current Assets	9,120,012	10,147,151	1,101	1,618,207
Noncurrent Assets:				
Land	1,930,563	214,759	33,425	900,646
Construction in Progress	2,165,861	6,309,718	278,737	250,000
Improvements and Buildings	8,072,976			1,144,953
Vehicles				
Distribution and Collection Systems	9,339,436	34,312,388		
Equipment				128,909
Pier			8,446,738	
Total Capital Assets	21,508,836	40,836,865	8,758,900	2,424,508
Less Accumulated Depreciation	(8,903,427)	(13,877,041)	(278,629)	(114,786)
Capital Assets, Net of Accumulated Depreciation	12,605,409	26,959,824	8,480,271	2,309,722
Total Noncurrent Assets	12,605,409	26,959,824	8,480,271	2,309,722
Total Assets	21,725,421	37,106,975	8,481,372	3,927,929
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Refunding		179,064		
Pension Related	209,993	283,663		53,244
OPEB Related	53,641	72,459		13,601
Total Deferred Outflows of Resources	$ 263,634	$ 535,186	$ -	$ 66,845

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Funds
$ 18,219,539	$ 461,590
1,860,029	73,298
50,858	900
756,045	
-	3,281,791
20,886,471	3,817,579
3,079,393	
9,004,316	
9,217,929	
-	4,994,936
43,651,824	
128,909	793,565
8,446,738	
73,529,109	5,788,501
(23,173,883)	(3,175,215)
50,355,226	2,613,286
50,355,226	2,613,286
71,241,697	6,430,865
179,064	
546,900	
139,701	
$ 865,665	$ -

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, 2020

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 265,937	$ 385,756	$ 181	$ 13,577
Accrued Liabilities	20,529	22,688		10,766
Deposits	162,836			
Current Portion of Compensated Absences	7,707	11,206		2,506
Accrued Interest Payable		37,061		
Current Portion of Bonds and Loans		865,635		
Total Current Liabilities	457,009	1,322,346	181	26,849
Noncurrent Liabilities:				
Compensated Absences, Net of Current Portion	23,118	33,619		7,518
Loans, Net of Current Portion		4,351,227		
Bonds, Net of Current Portion		4,108,366		
Net Pension Liability	773,699	1,045,128		196,172
Net OPEB Liability	83,308	112,534		21,123
Total Noncurrent Liabilities	880,125	9,650,874	-	224,813
Total Liabilities	1,337,134	10,973,220	181	251,662
DEFERRED INFLOWS OF RESOURCES				
Pension Related	84,702	114,418		21,476
OPEB Related	44,698	60,379		11,333
Total Deferred Inflows of Resources	129,400	174,797	-	32,809
NET POSITION				
Net Investment in Capital Assets	12,605,409	17,813,660	8,480,271	2,309,722
Restricted for Capital Improvements	652,404	1,639,287		
Unrestricted	7,264,708	7,041,197	920	1,400,581
Total Net Position	$ 20,522,521	$ 26,494,144	$ 8,481,191	$ 3,710,303

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Funds
$ 665,451	$ 49,129
53,983	8,573
162,836	
21,419	3,546
37,061	
865,635	
1,806,385	61,248
64,255	10,636
4,351,227	
4,108,366	
2,014,999	
216,965	
10,755,812	10,636
12,562,197	71,884
220,596	
116,410	
337,006	-
41,209,062	2,613,286
2,291,691	
15,707,406	3,745,695
$ 59,208,159	$ 6,358,981

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, 2020

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
OPERATING REVENUES				
Sales of Water	$ 4,054,811	$	$	$
Service Fees	516,629	4,927,293	2,730	939,558
Miscellaneous	158,284	93,360	570	28,688
Total Operating Revenues	4,729,724	5,020,653	3,300	968,246
OPERATING EXPENSES				
Salaries and Benefits	902,227	701,210		154,380
Purchased Power	116,691	171,694	21,592	
Services and Supplies	1,605,728	1,260,878	26,933	299,132
Customer Accounting	30,923	209,755		
Joint Operating Expenses	3,184,999			
Depreciation and Amortization	343,948	1,071,370	171,073	57,882
Total Operating Expenses	6,184,516	3,414,907	219,598	511,394
Operating Income (Loss)	(1,454,792)	1,605,746	(216,298)	456,852
NONOPERATING REVENUES (EXPENSES)				
Property and Special Taxes	1,398,622			
Grant Revenues				
Gain (Loss) on Disposal of Capital Assets		(5,408)	(88,060)	
Investment Earnings	317,741	361,423		73,940
Interest Expense		(253,059)		
Total Nonoperating Revenues (Expenses)	1,716,363	102,956	(88,060)	73,940
Income (Loss) Before Transfers	261,571	1,708,702	(304,358)	530,792
TRANSFERS				
Transfers In	2,575,667	579,390	194,562	
Transfers Out	(2,703,712)	(515,995)		(2,926)
Total Transfers	(128,045)	63,395	194,562	(2,926)
Special Item - Loan Forgiveness		1,050,000		
Change in Net Position	133,526	2,822,097	(109,796)	527,866
Total Net Position - Beginning of Year	20,388,995	23,672,047	8,590,987	3,182,437
Total Net Position - End of Year	$ 20,522,521	$ 26,494,144	$ 8,481,191	$ 3,710,303

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Funds
$ 4,054,811	$
6,386,210	1,140,684
280,902	
10,721,923	1,140,684
1,757,817	293,563
309,977	
3,192,671	980,655
240,678	
3,184,999	
1,644,273	483,025
10,330,415	1,757,243
391,508	(616,559)
1,398,622	
-	15,394
(93,468)	35,555
753,104	41,728
(253,059)	
1,805,199	92,677
2,196,707	(523,882)
3,349,619	743,056
(3,222,633)	(622)
126,986	742,434
1,050,000	
3,373,693	218,552
55,834,466	6,140,429
$ 59,208,159	$ 6,358,981

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, 2020

	Enterprise Funds			
	Water	Wastewater	Pier	Other Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 4,546,600	$ 5,501,039	$ 3,300	$ 983,221
Receipts from Other Funds for Services				
Payments to Suppliers for Goods and Services	(4,144,048)	(1,738,889)	(50,239)	(297,251)
Payments to Employees for Wages and Benefits	(716,580)	(963,622)		(220,508)
Net Cash Provided by (Used for) Operating Activities	(314,028)	2,798,528	(46,939)	465,462
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property and Special Taxes	1,398,622			
Advances to Other Funds				
Transfers from Other Funds	2,575,667	579,390	194,562	
Transfers to Other Funds	(2,703,712)	(515,995)		(2,926)
Net Cash Provided by (Used for) Noncapital Financing Activities	1,270,577	63,395	194,562	(2,926)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments on Long-Term Debt Principal		(161,117)		
Interest Paid on Long-Term Debt		(257,472)		
Purchase of Capital Assets	(2,906,121)	(1,411,856)	(149,337)	(1,702,654)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(2,906,121)	(1,830,445)	(149,337)	(1,702,654)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	338,653	369,223		80,343
Net Cash Provided by (Used for) Investing Activities	338,653	369,223		80,343
Net Increase (Decrease) in Cash and Cash Equivalents	(1,610,919)	1,400,701	(1,714)	(1,159,775)
Cash and Cash Equivalents - Beginning of the Year	9,063,720	7,782,860	2,815	2,741,851
Cash and Cash Equivalents - End of the Year	$ 7,452,801	$ 9,183,561	$ 1,101	$ 1,582,076

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Fund
$ 11,034,160	$
-	1,154,736
(6,230,427)	(953,963)
(1,900,710)	(283,679)
2,903,023	(82,906)
1,398,622	
-	(3,281,791)
3,349,619	742,434
(3,222,633)	
1,525,608	(2,539,357)
(161,117)	
(257,472)	
(6,169,968)	(573,851)
(6,588,557)	(573,851)
788,219	43,791
788,219	43,791
(1,371,707)	(3,152,323)
19,591,246	3,613,913
$ 18,219,539	$ 461,590

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, 2020

	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)	$ (1,454,792)	$ 1,605,746	$ (216,298)	$ 456,852
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization	343,948	1,071,370	171,073	57,882
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Accounts Receivable	(193,717)	480,386		14,975
Prepayments	943,445	62,161		(695)
Deferred Outflow of Resources - Pensions	(20,896)	146,651		34,380
Deferred Outflow of Resources - OPEB	(11,154)	24,226		6,087
Accounts Payable	(149,152)	(158,723)	(1,714)	2,576
Accrued Liabilities	7,758	8,839		6,765
Deposits	10,593			
Compensated Absences	10,142	15,448		1,036
Net Pension Liability	180,733	(304,245)		(78,597)
Net OPEB Liability	(44,757)	(178,895)		(38,220)
Deferred Inflow of Resources - Pensions	24,013	(23,687)		(6,646)
Deferred Inflow of Resources - OPEB	39,808	49,251		9,067
TOTAL CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ (314,028)	$ 2,798,528	$ (46,939)	$ 465,462

The accompanying notes are an integral part of this statement.

Totals	Governmental Activities - Internal Service Fund
$ 391,508	$ (616,559)
1,644,273	483,025
301,644	14,052
1,004,911	5,907
160,135	
19,159	
(307,013)	20,785
23,362	3,321
10,593	
26,626	6,563
(202,109)	
(261,872)	
(6,320)	
98,126	
$ 2,903,023	$ (82,906)

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Trust Fund	Agency Fund
	Retired Employees Health Care Plan	San Luis Obispo County Tourism Fund
ASSETS		
Cash and Cash Equivalents	$	$ 64,686
Accounts Receivable		118,634
Investment at Fair Value:		
California Employer's Retiree Benefit Trust Program		
Pooled Investments	3,725,887	
Total Assets	$ 3,725,887	$ 183,320
LIABILITIES		
Due to Other Governmental Agencies	$	$ 183,320
Total Liabilities	-	$ 183,320
NET POSITION		
Held in Trust for Other Employment Benefits	$ 3,725,887	

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, 2020

	Retired Employees Health Care Plan
ADDITIONS	
Contributions:	
Employer	$ 326,000
Investment Earnings:	
Net Appreciation in Fair Value of Investments	116,702
Total Additions	442,702
DEDUCTIONS	
Administration	2,836
Total Deductions	2,836
Change in Net Position	439,866
Net Position Held in Trust for Other Post-Employment Benefits:	
Net Position - Beginning of Year	3,286,021
Net Position - End of Year	$ 3,725,887

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 proprietary fund and 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.

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

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.

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

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.

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, 2020, the application of valuation techniques applied to the City's financial statements has been consistent.

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

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.

At June 30, 2020, 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 $722,203.

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.

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

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.

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.

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

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 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, 2018
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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.

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

Deferred Inflows of Resources - Continued

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.

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.

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

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, 2020 the balance in the GFR was $5,624,000. 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 policy. As of June 30, 2020, 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, 2020, 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 level. The Council made supplemental appropriations during the fiscal year. Encumbrance accounting is employed in governmental funds.

2) CASH AND INVESTMENTS

At June 30, 2020, cash and investments consisted of the following:

Statement of Net Position:		
Cash and Investments	$	50,164,933
Restricted Cash and Investments		37
Statement of Fiduciary Net Position:		
Cash and Cash Equivalents		64,686
Investments		3,725,887
Total Cash and Investments	$	53,955,543

At June 30, 2020, cash and investments consisted of the following:

Cash	$	5,485,362
Cash Held by Fiscal Agents		37
Investments		48,470,144
Total Cash and Investments	$	53,955,543

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 $22,251,640 at June 30, 2020 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.

2) CASH AND INVESTMENTS - Continued

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, 2020:

	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	$ 18,114,047	$	$ 18,114,047	$
US Government Agency Obligations	1,000,540		1,000,540	
Municipal Bonds	1,535,692		1,535,692	
Corporate Bonds	4,387,593		4,387,593	
Total Investments by Fair Value Hierarchy	25,037,872	$ -	$ 25,037,872	$ -
Investments Not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund	18,166,805			
Money Market Funds	1,539,580			
California Employer's Retiree Benefit Trust Program Pooled Investments	3,725,887			
Total Investments Not Subject to Fair Value Hierarchy	23,432,272			
Total Investments Measured at Fair Value	$ 48,470,144			

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, 2020 LAIF had a weighted average maturity of 172 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.

2) CASH AND INVESTMENTS - Continued

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, 2020, maturities were as follows for the City's investments:

Liquidity	Amount
FY 2020-21	$ 27,972,529
FY 2021-22	6,467,945
FY 2022-23	3,459,103
FY 2023-24	1,219,441
FY 2024-25	9,351,126
Total Investments	$ 48,470,144

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 2% of the City's investments at June 30, 2020. 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, 2020, credit risk ratings were as follows for the City's investments:

	Rating	Fair Value
State Local Agency Investment Fund	Unrated	$ 18,166,805
California Employer's Retiree Benefit Trust Fund	Unrated	3,725,887
Negotiable Certificates of Deposit	Unrated	18,114,047
Money Market Funds	Unrated	1,539,580
U.S. Government Agency Obligations	AA+	1,000,540
Non-U.S. Corporate Bonds	AA-	1,013,690
Municipal Obligations	AA-	954,386
Municipal Obligations	Unrated	581,306
U.S. Corporate Bonds	AA+	1,581,525
U.S. Corporate Bonds	AA-	1,533,245
U.S. Corporate Bonds	A	259,133
Total Investments		$ 48,470,144

3) ACCOUNTS RECEIVABLE

At June 30, 2020, accounts receivable consisted of the following:

	General	Housing In Lieu	Local Business Improvement	Capital Projects	Other Nonmajor Governmental Funds	Internal Service	Total Governmental Activities
Governmental Activities:							
Taxes Receivable	$ 2,205,091	$	$ 280,115	$	$	$	$ 2,485,206
Accounts Receivable	182,250				66,017	73,298	321,565
Due From Other Governments				1,319,006	21,791		1,340,797
Accrued Interest Receivable	16,985	5,625	1,095		8,440	900	33,045
Total Accounts Receivable	$ 2,404,326	$ 5,625	$ 281,210	$ 1,319,006	$ 96,248	$ 74,198	$ 4,180,613

	Water	Wastewater	Other Enterprise Funds	Total Business-Type Activities
Business-Type Activities:				
Accounts Receivable	$ 895,860	$ 931,448	$ 32,721	$ 1,860,029
Accrued Interest Receivable	16,001	32,142	2,715	50,858
Total Accounts Receivable	$ 911,861	$ 963,590	$ 35,436	$ 1,910,887

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, 2020, the current principal balance and accrued interest on the note receivable was $1,413,985.

5) CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 was as follows:

	Balance June 30, 2019	Additions	Transfers/ Deletions	Balance June 30, 2020
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 7,348,795	$ 10,500,000	$	$ 17,848,795
Right-of-way - Street System	5,068,528			5,068,528
Construction in Progress	8,051,515	14,847,195	(1,998,544)	20,900,166
Total Capital Assets, Not Being Depreciated	20,468,838	25,347,195	(1,998,544)	43,817,489
Capital Assets, Being Depreciated:				
Buildings	5,531,963	1,500,000	(7,804)	7,024,159
Machinery and Equipment	3,033,472	45,268	(27,111)	3,051,629
Vehicles	5,849,780	706,518	(950,820)	5,605,478
Improvements	10,433,051	1,770,673		12,203,724
Infrastructure - Street System	57,816,848	1,165,811		58,982,659
Total Capital Assets, Being Depreciated	82,665,114	5,188,270	(985,735)	86,867,649
Accumulated Depreciation:				
Buildings	(2,984,749)	(280,973)	7,349	(3,258,373)
Machinery and Equipment	(2,255,875)	(209,688)	27,111	(2,438,452)
Vehicles	(3,506,674)	(448,327)	869,103	(3,085,898)
Improvements	(5,317,388)	(575,160)		(5,892,548)
Infrastructure - Street System	(34,314,968)	(1,830,330)		(36,145,298)
Total Accumulated Depreciation	(48,379,654)	(3,344,478)	903,563	(50,820,569)
Total Capital Assets, Being Depreciated, Net	34,285,460	1,843,792	(82,172)	36,047,080
Net Capital Assets, Governmental Activities	$ 54,754,298	$ 27,190,987	$ (2,080,716)	$ 79,864,569

5) CAPITAL ASSETS - Continued

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 377,775	$ 2,701,618	$	$ 3,079,393
Construction in Progress	10,172,626	2,771,860	(3,940,170)	9,004,316
Total Capital Assets, Not Being Depreciated	10,550,401	5,473,478	(3,940,170)	12,083,709
Capital Assets, Being Depreciated:				
Buildings	333,726	552,009		885,735
Tanks, Wells and Improvements	10,278,565	3,940,170		14,218,735
Equipment	3,061,814	14,336	(52,987)	3,023,163
Pipelines and Collection System	32,816,291	132,327		32,948,618
Pier	10,589,291		(220,142)	10,369,149
Total Capital Assets, Being Depreciated	57,079,687	4,638,842	(273,129)	61,445,400
Accumulated Depreciation:				
Buildings	(343,574)	(8,080)		(351,654)
Tanks, Wells and Improvements	(6,840,458)	(1,009,958)		(7,850,416)
Equipment	(1,759,818)	(303,279)	45,397	(2,017,700)
Pipelines and Collection System	(11,262,104)	(153,734)		(11,415,838)
Pier	(1,501,135)	(169,222)	132,082	(1,538,275)
Total Accumulated Depreciation	(21,707,089)	(1,644,273)	177,479	(23,173,883)
Total Capital Assets, Being Depreciated, Net	35,372,598	2,994,569	(95,650)	38,271,517
Net Capital Assets				
Business-type Activities	$ 45,922,999	$ 8,468,047	$ (4,035,820)	$ 50,355,226

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	$ 315,270
Public Safety	187,397
Community Services	461,229
Infrastructure	1,897,557
Internal Service Funds	483,025
Total Depreciation - Governmental Activities	$ 3,344,478

5) CAPITAL ASSETS - Continued

Business-type Activities:	
Water	$ 343,948
Wastewater	1,071,370
Pier	171,073
Parking	57,882
Total Depreciation - Business-type Activities	$ 1,644,273

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, 2020, compensated absences of the internal service fund were $14,182.

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, 2020 was as follows:

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 499,092	$ 219,049	$ (124,773)	$ 593,368	$ 148,342
Lease Revenue Bonds	11,219,843	-	(257,074)	10,947,536	288,307
Unamortized Bond Premium	178,455	-	(6,154)	172,301	
Total Long-Term Debt Governmental Activities	$ 11,897,390	$ 219,049	$ (403,234)	$ 11,713,205	$ 436,649

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020	Due Within One Year
Business-type Activities:					
Compensated Absences	$ 59,048	$ 41,388	$ (14,762)	$ 85,674	$ 21,419
Revenue Refunding Bonds	4,320,000	-	(235,000)	4,085,000	240,000
Unamortized Bond Premium	283,625	-	(20,259)	263,366	-
State Revolving Loans from Direct Borrowings	5,946,495	666,126	(1,635,759)	4,976,862	625,635
Total Long-term Debt Business-type Activities	$ 10,609,168	$ 707,514	$ (1,905,780)	$ 9,410,902	$ 887,054

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, 2020, the unamortized premium was $172,301.

At June 30, 2020, future minimum principal and interest payments on the 2017 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	170,000	230,362	400,362
2026-2030	980,000	1,027,462	2,007,462
2031-2035	1,195,000	814,688	2,009,688
2036-2040	1,400,000	602,044	2,002,044
2041-2045	1,655,000	345,462	2,000,462
2046-2048	1,135,000	60,463	1,195,463
Total	$ 7,145,000	$ 4,078,206	$ 11,223,206

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

In the Statement of Net Position, the 2017B bonds include the related unamortized premium which is being amortized and charged to expense over the term of the 2017B bonds.

At June 30, 2020, future minimum principal and interest payments on the 2017B bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 143,307	$ 163,040	$ 306,347
2022	149,569	156,640	306,209
2023	156,106	149,961	306,067
2024	162,928	142,990	305,918
2025	170,047	135,715	305,762
2026-2030	968,414	557,815	1,526,229
2031-2035	1,199,332	321,851	1,521,183
2036-2038	852,833	56,966	909,799
Total	$ 3,802,536	$ 1,684,978	$ 5,487,514

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, 2020, future minimum principal and interest payments on the 2012 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	295,000	94,738	389,738
2026-2030	1,625,000	318,869	1,943,869
2031-2033	1,120,000	57,427	1,177,427
Total	$ 4,085,000	$ 987,359	$ 5,072,359

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, 2020, the unamortized premium was $263,366.

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, 2020, principal and interest paid and total customer net revenues were $235,000 and $159,063, respectively. The remaining balances are $5,072,359.

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, 2020, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
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	587,870	21,390	609,260
2026	598,469	10,790	609,259
Total	$ 3,435,530	$ 220,027	$ 3,655,557

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, 2020, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
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	$ 69,251	$ 3,984	$ 73,235

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, 2020, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 35,681	$ 6,226	$ 41,907
2022	36,325	5,582	41,907
2023	36,979	4,927	41,906
2024	37,646	4,261	41,907
2025	38,325	3,582	41,907
2026-2029	160,335	7,292	167,627
Total	$ 345,291	$ 31,870	$ 377,161

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.

At June 30, 2020, future minimum principal and interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2021	$ 29,302	$ 18,949	$ 48,251
2022	29,594	18,657	48,251
2023	30,097	18,154	48,251
2024	30,608	17,643	48,251
2025	31,129	17,122	48,251
2026-2030	163,763	77,491	241,254
2031-2035	178,165	63,090	241,255
2036-2040	193,832	47,422	241,254
2041-2045	210,878	30,377	241,255
2046-2050	229,422	11,832	241,254
Total	$ 1,126,790	$ 320,737	$ 1,447,527

6) LONG-TERM DEBT - Continued

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 2050. For the year ended June 30, 2020, principal and imputed interest paid and total system net revenues were $665,813 and $80,673, respectively. The remaining balances are $5,553,480.

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, 2020, 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%	12%
Required Employer Contribution Rates	16.636%	13.034%
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	9%	9%	12.5%
Required Employer Contribution Rates	21.927%	18.928%	13.034%
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%	8.5%
Required Employer Contribution Rates	11.432%	8.081%	6.985%
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, 2020, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety	Total
Contributions - Employer	$ 978,405	$ 835,728	$ 1,814,133

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

As of June 30, 2020, 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	$ 8,455,726	$ 8,301,603	$ 16,757,329

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, 2019, 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, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension 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, 2019 and 2020 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2019	0.20951%	0.13620%	0.16487%
Proportion - June 30, 2020	0.21116%	0.13298%	0.16353%
Change - Increase/(Decrease)	0.00165%	-0.00322%	-0.00134%

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, 2020, the City recognized pension expense of $3,844,698. At June 30, 2020, 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	$ 978,405	$
Changes in Assumptions	260,274	
Differences Between Expected and Actual Experience	541,783	
Differences Between Projected and Actual Investment Earnings		(147,832)
Difference Between Employer's Contribution and Proportionate Share of Contributions	443,861	(261,923)
Change in Employer's Proportion	70,681	(515,955)
Total	$ 2,295,004	$ (925,710)

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 835,728	$
Changes in Assumptions	273,865	
Differences Between Expected and Actual Experience	542,020	
Differences Between Projected and Actual Investment Earnings		(114,203)
Difference Between Employer's Contribution and Proportionate Share of Contributions	577,968	
Change in Employer's Proportion		(626,559)
Total	$ 2,229,581	$ (740,762)

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	$ 1,814,133	$
Changes in Assumptions	534,139	
Differences Between Expected and Actual Experience	1,083,803	
Differences Between Projected and Actual Investment Earnings		(262,035)
Difference Between Employer's Contribution and Proportionate Share of Contributions	1,021,829	(261,923)
Change in Employer's Proportion	70,681	(1,142,514)
Total	$ 4,524,585	$ (1,666,472)

Pension contributions subsequent to the measurement dates of $1,814,133 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, 2021. 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
2021	$ 533,349	$ 619,767	$ 1,153,116
2022	(179,028)	(50,740)	(229,768)
2023	6,696	61,843	68,539
2024	29,872	22,221	52,093
2025			
Thereafter			
Total	$ 390,889	$ 653,091	$ 1,043,980

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, 2018 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
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 Rate Table	Derived using CalPERS' membership data for all funds

[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

The Mortality Rate Table was derived using CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. The table includes 15 years of projected mortality improvements using Society of Actuaries Scale 90% of scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Changes in Assumptions - For the measurement date June 30, 2019, the accounting discount rate remained the same 7.15%. There were no changes in assumptions for the June 30, 2018 measurement date.

Discount Rate - The discount rate used to measure the total pension liability was 7.15% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

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

Long-term Expected Rate of Return - The long-term expected rate of return on pension plan investments was determined using a building-block method in which 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+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

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	$ 13,474,760	$ 13,300,934	$ 26,775,694
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	$ 8,455,726	$ 8,301,603	$ 16,757,329
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	$ 4,312,868	$ 4,202,935	$ 8,515,803

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, 2020, the City reported a payable of $0, for the outstanding amount of contributions to the pension plan for the year ended June 30, 2020.

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, 2020 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	38
Inactive employees entitled to, but not yet receiving benefits	32
Total	159

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2020, the City made contributions of $326,000 plus $186,311 cash benefit payments and $73,000 implied subsidy benefit payments and $925 in administrative expenses.

Net OPEB Liability/(Asset)

The City's net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions:

Net OPEB Liability/(Asset)

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	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 developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. The Experience Study Reports may be access on the CalPERS website **www.calpers.ca.gov** under Forms and Publications.

8) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

***Net OPEB Liability/(Asset)* - 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	59.0%	4.82%
Fixed Income	25.0%	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/(Asset)

The changes in the net OPEB liability/(Asset) 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, 2019 ***(Valuation Date June 30, 2019)***	$ 4,502,367	$ 2,797,107	$ 1,705,260
Changes Recognized for the Measurement Period:			
Service Cost	161,389		161,389
Interest	306,101		306,101
Actual vs. Expected Experience	(500,462)		(500,462)
Changes of Assumptions	(15,884)		(15,884)
Contributions - Employer		565,740	(565,740)
Net Investment Income		181,663	(181,663)
Benefit Payments	(257,880)	(257,880)	
Administrative Expense		(1,467)	1,467
Net Changes	(306,736)	488,056	(794,792)
Balance at June 30, 2020 ***(Measurement Date June 30, 2019)***	$ 4,195,631	$ 3,285,163	$ 910,468

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Discount Rate

The following presents the net OPEB liability/(Asset) 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, 2020:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability/(Asset)	$ 1,406,654	$ 910,468	$ 496,157

Sensitivity of the Net OPEB Liability/(Asset) to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability/(Asset) 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, 2020:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability/(Asset)	$ 654,016	$ 910,468	$ 1,271,217

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, 2020, the City recognized OPEB expense of $194,339. As of fiscal year ended June 30, 2020, the City reported deferred outflows and inflows of resources related to OPEB from the following services:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 437,112
OPEB contributions subsequent to measurement date	586,236	
Changes in assumptions		13,873
Net differences between projected and actual earnings on OPEB plan investments		37,520
Total	$ 586,236	$ 488,505

8) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

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

The $586,236 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 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
2021	$ (83,554)
2022	(83,553)
2023	(68,377)
2024	(63,480)
2025	(65,361)
Thereafter	(124,180)

9) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended June 30, 2020 were as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	$ 146,490	$ 8,200,745
Lodging Business Improvement		4,050,256
Capital Projects Fund	11,409,393	1,081
Other Governmental Funds:		
State Gas Tax Fund		340,000
Public Education Grant Fund		6,489
Chapman House Estate Fund	2,750	
Park Development Fund		45,000
Circulation Improvement Fund		70,384
Impact Fees Fund		31,894
City of Pismo Beach Public Financing Agency Fund	656,099	338,303
Proprietary Funds:		
Water Fund	2,575,667	2,703,712
Wastewater Fund	579,390	515,995
Pier Fund	194,562	
Other Proprietary Funds:		
Parking Fund		2,926
Tech Service Funds	101,574	
Motor Vehicle Fund	641,482	622
	$ 16,307,407	$ 16,307,407

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.

Advances From/To Other Funds

The following table shows amounts advanced to and from funds within the City at June 30, 2020:

Advances to Other Funds	Advances From Funds	Amount
Motor Vehicle Fund	Local Business Improvement	$ 3,281,791
		$ 3,281,791

Advances to and from other funds, result primarily from long-term borrowings used to fund capital projects in advance of related financing/assessments.

The original loan of $3,281,791 from the Local Business Improvement Fund to the Motor Vehicle Fund was made to cover costs relating to the Pier Plaza project. The loan will be repaid over a 3 year period at a 2.00% interest rate. Repayment of the remaining loan balance of $3,281,791 will be paid through future revenues in the Local Business Improvement Fund.

As a result of the loan from the Motor Vehicle Fund, the Local Business Improvement Fund has a deficit fund balance of $2,935,590 which is expected to be eliminated through future revenues.

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.

10) JOINTLY GOVERNED ORGANIZATIONS AND OPERATING AGREEMENTS - Continued

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 $77,877 and $1,706,112 to the District and Water Authority, respectively, in its Water Fund.

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 $1,394,148 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.

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, 2020 is summarized as follows:

Interest Earnings	$	2,639
Claims Expense		(2,349)
Estimated liability for reported claims and settlement expenses		(6,399)
Assets on Deposit		115,415
Claims Asset (Liability) at June 30, 2020	$	109,306

11) RISK MANAGEMENT - Continued

Self-Insurance - Continued

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

Estimated unpaid claims liability 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 (asset) at June 30, 2019		61,773
Claim payments and related expenditures reimbursement		(2,349)
Change in estimated claims liability for year ended June 30, 2020		109,016
Interest Earnings		2,639
Claims Asset (Liability) at June 30, 2020	$	109,306

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, 2020, including encumbrances outstanding at year-end, were as follows:

General Fund	$	491,714
Special Revenue Funds		348,775
Capital Project Funds		8,360,190
Enterprise Funds		1,458,334
Internal Service Funds		97,369
Total	$	10,756,382

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

12) COMMITMENTS AND CONTINGENCIES - Continued

COVID-19

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic continued subsequent to year end with certain restrictions required by the Governor of California, as well as local governments, which may affect revenue sources and also caused subsequent stock market volatility. The duration of the pandemic and the impact of COVID-19 on the operational and financial performance is uncertain at this time.

13) NEW ACCOUNTING PRONOUNCEMENTS

In January of 2017, GASB issued Statement No. 84*, Fiduciary Activities*. This statement was issued to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes. This statement establishes the criteria for identifying fiduciary activities which should be reported in a fiduciary fund in the basic financial statements. The fiduciary funds that should be reported, if applicable: a) pensions trust funds, b) investment trust funds, c) private purpose trust funds, d) custodial funds. Statement No. 84 is effective for reporting periods beginning after December 15, 2018. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2019. The impact of the implementation of this statement to the City's financial statements has not been assessed at this time.

In June of 2017, GASB issued Statement No. 87, *Leases.* The intent of this statement is to improve accounting and financial reporting for government leases by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement is effective for reporting periods beginning after December 15, 2019. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after June 15, 2021, and for all reporting periods thereafter. The City has elected not to early implement GASB No. 87 and has not determined its effect on the City's 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. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2019. The impact of the implementation of this Statement to the City's financial statements has not been assessed at this time.

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. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement by one year for reporting periods beginning after December 15, 2021. Management has not yet determined the impact of this Statement on its financial statements.

In January of 2020, GASB issued Statement No. 92, *Omnibus 2020.* This statement was issued to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This includes GASB Statement No. 87, GASB Statement No. 73, GASB Statement No. 74, GASB Statement No. 84 and the measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition as well as other specific provisions. The requirements related to GASB Statement No. 87 are effective upon the issuance date of Statement No. 92. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 6-10 and 12 for reporting periods beginning after June 15, 2021. Management has elected not to early implement GASB No. 92 and has not determined its effect on the financial statements.

In March of 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates.* The objective of this statement is to address those and other accounting and financial reporting implications that results from the replacement of an Interbank Offered Rates (IBOR). The removal of the London Interbank Offered Rate (LIBOR) as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements are effective for reporting periods beginning after June 15, 2020. Due to the COVID-19 pandemic, GASB Statement No. 95 delayed the implementation of this GASB Statement for paragraphs 13 and 14 for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. Management has elected not to early implement GASB No. 93 and has not determined its effect on the financial statements.

In March of 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Management has elected not to early implement GASB No. 94 and has not determined its effect on the financial statements.

13) NEW ACCOUNTING PRONOUNCEMENTS - Continued

In May of 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance.* The objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic by postponing the effective dates of certain provisions in Statements and Implementation Guides which are as follows:

a. Statement 83 - Reporting periods beginning after June 15, 2019.
b. Statement 84 and Implementation Guide 2019-2 - Reporting periods beginning after December 15, 2019.
c. Statement 87 and Implementation Guide 2019-3 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
d. Statement 88 - Reporting periods beginning after June 15, 2019.
e. Statement 89 - Reporting periods beginning after December 15, 2020.
f. Statement 90 - Reporting periods beginning after December 15, 2019.
g. Statement 91 - Reporting periods beginning after December 15, 2021.
h. Statement 92, paragraphs 6 and 7 - Fiscal years beginning after June 15, 2021.
i. Statement 92, paragraphs 8, 9, and 12 - Reporting periods beginning after June 15, 2021.
j. Statement 92, paragraph 10 - Government acquisitions occurring in reporting periods beginning after June 15, 2021
k. Statement 93, paragraphs 13 and 14 - Fiscal years beginning after June 15, 2021, and all reporting periods thereafter.
l. Implementation Guide 2017-3, Questions 4.484 and 4.491 - The first reporting period in which the measurement date of the (collective) net OPEB liability is on or after June 15, 2019.
m. Implementation Guide 2017-3, Questions 4.85, 4.103, 4.108, 4.109, 4.225, 4.239, 4.244, 4.245, and 5.1-5.4 - Actuarial valuations as of December 15, 2018, or later.
n. Implementation Guide 2018-1 - Reporting periods beginning after June 15, 2019.
o. Implementation Guide 2019-1 - Reporting periods beginning after June 15, 2020.

Statement No. 95 is effective immediately. Management has elected to delay certain provisions in the GASB Statements as allowed by GASB Statement No. 95.

In May of 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements.* This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs) for government end users (governments). Statement No. 95 is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Management has elected not to early implement GASB No. 96 and has not determined its effect on the financial statements.

13) NEW ACCOUNTING PRONOUNCEMENTS - Continued

In June of 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans.* The objective of this statement is to (1) increase consistency and comparability related to the reporting of fiduciary component units; (2) mitigate costs associated with the reporting of certain defined pension and OPEB plans as fiduciary component units; and (3) enhance the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. All other requirements are effective for fiscal years beginning after June 15, 2021. Management has elected not to early implement GASB No. 97 and has not determined its effect on the financial statements.

14) SPECIAL ITEM

The Clean Water State Revolving Fund (CWSRF) loan for the Five Cities Lift Station project includes $1,050,000 of contingent principal forgiveness State administered Environmental Protection Agency (EPA) funded Green Project Reserve program based on energy savings. The funds are contingent on available funds from the EPA and contingent on the City's performance of its obligations under the Agreement. This means that $1,050,000 of the principal due may be forgiven and debt service is only paid on the net principal.

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Required Supplementary Information Section

City of Pismo Beach, California
Budgetary Comparison Schedule - General Fund
Budgetary Basis
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund Balances, Beginning of Year	$ 24,366,702	$ 24,366,702	$ 24,366,702	$ -
Resources (Inflows):				
Property Taxes	5,504,240	5,896,430	5,935,388	38,958
Sales Taxes	4,698,875	4,037,886	4,537,068	499,182
Transient Occupancy Taxes	11,070,793	9,345,471	9,395,523	50,052
Other Taxes	869,655	869,655	1,003,495	133,840
License and Permits	1,060,250	866,760	839,257	(27,503)
Fines and Forfeits	51,000	51,000	49,165	(1,835)
Subventions and Grants	208,380	1,306,388	977,188	(329,200)
Interest Earnings	330,000	330,000	774,791	444,791
Rental Income	172,852	172,852	185,524	12,672
Charges for Services	205,700	150,084	197,559	47,475
Miscellaneous	1,246,764	1,261,965	1,275,879	13,914
Transfers In	220,000	146,964	146,490	(474)
Amounts Available for Charges to Appropriations	50,005,211	48,802,157	49,684,029	881,872
Charges to Appropriations:				
General Government:				
City Council	239,164	206,276	186,378	19,898
Administration	471,743	530,153	494,300	35,853
City Clerk	320,286	312,395	306,816	5,579
Human Resources	468,470	477,825	441,999	35,826
Legal	278,900	357,050	402,077	(45,027)
Conference and Visitors Bureau	823,957	818,973	777,280	41,693
Finance	985,807	1,004,596	912,215	92,381
Nondepartmental - Other	1,895,035	1,551,079	1,309,484	241,595
Nondepartmental - Retiree Medical	546,335	546,335	512,311	34,024
Facilities Maintenance	1,597,484	870,544	639,139	231,405
Public Safety:				
Police	6,397,941	6,186,271	5,894,958	291,313
Fire	3,061,540	2,795,711	2,802,557	(6,846)
Weed Abatement	14,500	19,000	15,637	3,363
Lifeguards	257,990	286,384	259,289	27,095
Public Works:				
Park Maintenance	932,453	960,355	955,600	4,755
Community Services:				
Buildings	929,303	768,441	756,475	11,966
Planning	995,235	1,834,633	1,295,068	539,565
Recreation	584,193	672,964	490,299	182,665
Engineering	921,109	1,108,503	844,345	264,158
Highways and Streets:				
Maintenance and Construction	937,036	985,964	744,214	241,750
Transfers Out	3,204,786	13,621,842	8,200,745	5,421,097
Total Charges to Appropriations	25,863,267	35,915,294	28,241,186	7,674,108
Fund Balance, End of Year	$ 24,141,944	$ 12,886,863	21,442,843	8,555,980

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 49,000	$ 49,000	$ 137,012	$ 88,012
Charges for Services	50,000	50,000	277,095	227,095
Total Revenues	50,000	50,000	277,095	227,095
EXPENDITURES				
Current:				
Housing	10,976	3,010,976	10,976	3,000,000
Total Expenditures	10,976	3,010,976	10,976	3,000,000
Excess (Deficiency) of Revenues (Under) Over Expenditures	39,024	(2,960,976)	266,119	3,227,095
Net Change in Fund Balances	39,024	(2,960,976)	266,119	3,227,095
Fund Balance, Beginning of Year	3,544,853	3,544,853	3,544,853	-
Fund Balance, End of Year	$ 3,583,877	$ 583,877	$ 3,810,972	$ 3,227,095

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 5,000	$ 5,000	$ 39,816	$ 34,816
Special Assessments	2,214,158	1,866,281	1,877,696	11,415
Total Revenues	2,219,158	1,871,281	1,917,512	46,231
EXPENDITURES				
Current:				
General Government	1,233,248	1,654,074	1,575,345	78,729
Total Expenditures	1,233,248	1,654,074	1,575,345	78,729
Excess (Deficiency) of Revenues over Expenditures	985,910	217,207	342,167	124,960
OTHER FINANCING SOURCES (USES)				
Transfers Out	(987,079)	(4,245,746)	(4,050,256)	195,490
Total Other Financing Sources (Uses)	(987,079)	(4,245,746)	(4,050,256)	195,490
Net Change in Fund Balances	(1,169)	(4,028,539)	(3,708,089)	320,450
Fund Balance (Deficit), Beginning of Year	772,499	772,499	772,499	-
Fund Balance (Deficit), End of Year	$ 771,330	$ (3,256,040)	$ (2,935,590)	$ 320,450

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, 2020

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
2020	6/30/2019	0.211%	$ 8,455,726	$ 4,810,354	175.78%	77.34%
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
2020	6/30/2019	0.133%	$ 8,301,603	$ 2,216,283	374.57%	77.24%
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
2020	6/30/2019	0.164%	$ 16,757,329	$ 7,026,637	238.48%	78,26%
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, 2020

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
2020	$ 978,405	$ (978,405)	$ -	$ 4,950,991	19.76%
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
2020	$ 835,728	$ (835,728)	$ -	$ 2,045,603	40.85%
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
2020	$ 1,814,133	$ (1,814,133)	$ -	$ 6,996,594	25.93%
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, 2020 are deferred to June 30, 2021.

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, 2020

Measurement Period	2019	2018	2017
Total OPEB Liability/(Asset)			
Service Cost	$ 161,389	$ 157,747	$ 153,152
Interest on the Total OPEB Liability/(Asset)	306,101	292,369	279,739
Changes in Assumptions	(15,884)	-	-
Actual Vs. Expected Experience	(500,462)	-	-
Benefit Payments	(257,880)	(242,785)	(257,965)
Net Change in Total OPEB Liability/(Asset)	**(306,736)**	**207,331**	**174,926**
Total OPEB Liability/(Asset) - Beginning	**4,502,367**	**4,295,036**	**4,120,110**
Total OPEB Liability/(Asset) - Ending (a)	**$ 4,195,631**	**$ 4,502,367**	**$ 4,295,036**
Plan Fiduciary Net Position			
Contribution - Employer	$ 565,740	$ 534,785	$ 537,965
Net Investment Income	181,663	183,879	200,453
Benefit Payments	(257,880)	(242,785)	(257,965)
Administrative Expense	(1,467)	(4,328)	(1,012)
Net Change in Plan Fiduciary Net Position	**488,056**	**471,551**	**479,441**
Plan Fiduciary Net Position - Beginning	**2,797,107**	**2,325,556**	**1,846,115**
Plan Fiduciary Net Position - Ending (b)	**$ 3,285,163**	**$ 2,797,107**	**$ 2,325,556**
Net OPEB Liability/(Asset) - Ending (a)-(b)	**$ 910,468**	**$ 1,705,260**	**$ 1,969,480**
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	78.3%	62.1%	54.1%
Covered Payroll	$ 7,274,214	$ 7,181,151	$ 6,688,838
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	12.5%	23.7%	29.4%

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,	2020	2019	2018
Actuarially Determined Contribution (ADC)	$ 216,000	$ 307,000	$ 290,000
Contributions in Relation to the ADC	(586,236)	565,740	(534,785)
Contribution Deficiency (Excess)	$ (370,236)	$ (258,740)	$ (244,785)
Covered Payroll	$ 7,380,250	$ 7,274,214	$ 7,181,151
Contributions as a percentage of covered payroll	7.9%	7.8%	7.4%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2020 were from the June 30, 2019 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 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	Pre-retirement mortality probability based on 2017 CalPERS 1997-2015 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:	$	49,684,029
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		(24,366,702)
Proceeds from sale of assets are inflows of budgetary resources but are not Revenues for financial reporting purposes		-
Transfers in from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes		(146,490)
Total General Fund revenues as reported in the statement of revenues, expenditures and changes in fund balance - governmental funds	$	25,170,837
Uses/Outflows of Resources:		
Actual "total charges to appropriations" from the budgetary comparison schedule	$	28,241,186
Differences - budgetary basis to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(8,200,745)
Total General Fund expenditures as reported in the statement of revenues, expenditures, and changes in fund balance - governmental funds	$	20,040,441

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures did not exceed appropriations in the General Fund, Housing in Lieu Fund and Local Business Improvement 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 2020, amounts reported reflect an adjustment of the discount rate, but remained the same at 7.15% in 2020. There were no changes in assumptions for the June 30, 2019 measurement date. In 2014, amounts reported were based upon the 7.5% discount rate.

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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.

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, 2020

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
ASSETS				
Cash and Investments	$ 39,483	$ 203,049	$ 93,108	$ 557,988
Cash and Investments with Fiscal Agent				
Accounts Receivable			9,290	56,727
Due from Other Governments	21,791			
Accrued Interest Receivable	903	699	353	2,072
Total Assets	$ 62,177	$ 203,748	$ 102,751	$ 616,787
LIABILITIES				
Accounts Payable	$	$	$	$
Deposits				
Total Liabilities	-	-	-	-
FUND BALANCES				
Restricted for:				
Capital Project Funding				
Streets and Highways	62,177	203,748		
Community Development			102,751	
Park Development				
Debt Service				
Committed for:				
Capital Projects				616,787
Assigned for:				
Capital Projects				
Total Fund Balances	62,177	203,748	102,751	616,787
Total Liabilities and Fund Balances	$ 62,177	$ 203,748	$ 102,751	$ 616,787

Special Revenue Funds	Capital Projects Funds		
Chapman House Estate	Public Facilities	Park Development	Circulation Improvement
$ 26,863	$ 880	$ 498,834	$ 470,115
97	3	1,794	911
$ 26,960	$ 883	$ 500,628	$ 471,026
$ 2,498	$	$ 2,835	$
2,498	-	2,835	-
24,462		165,043	471,026
	883	332,750	
24,462	883	497,793	471,026
$ 26,960	$ 883	$ 500,628	$ 471,026

Continued

City of Pismo Beach, California
Combining Balance Sheet - Continued
Non-major Governmental Funds
June 30, 2020

	Capital Project Funds			Debt Service Funds
	Impact Fees	Developer Impact Fees	Underground Utilities	City of Pismo Beach Public Financing Agency
ASSETS				
Cash and Investments	$ 810,988	$ 167,540	$ 16,563	$
Cash and Investments with Fiscal Agent				37
Accounts Receivable				
Due from Other Governments				
Accrued Interest Receivable	496	622	61	
Total Assets	$ 811,484	$ 168,162	$ 16,624	$ 37
LIABILITIES				
Accounts Payable	$ 845	$	$	$
Deposits		104,373		
Total Liabilities	845	104,373	-	-
FUND BALANCES				
Restricted for:				
Capital Project Funding	193,656	63,789	16,624	
Streets and Highways				
Community Development				
Park Development				
Debt Service				37
Committed for:				
Capital Projects	616,983			
Assigned for:				
Capital Projects				
Total Fund Balances	810,639	63,789	16,624	37
Total Liabilities and Fund Balances	$ 811,484	$ 168,162	$ 16,624	$ 37

Debt Service Funds			Total
Indio / El Portal Assessment District	Visalia Assessment District	Reassessment District	Non-major Governmental Funds
$ 741	$ 101,315	$ 13,525	$ 3,000,992
			37
			66,017
			21,791
3	376	50	8,440
$ 744	$ 101,691	$ 13,575	$ 3,097,277
$	$	$	$ 6,178
			104,373
-	-	-	110,551
			274,069
			736,951
			127,213
			165,043
744	101,691	13,575	116,047
			1,233,770
			333,633
744	101,691	13,575	2,986,726
$ 744	$ 101,691	$ 13,575	$ 3,097,277

City of Pismo Beach, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2020

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
REVENUES				
Subventions and Grants	$ 341,213	$ 180,386	$ 37,820	$ 216,774
Investment Earnings	8,587	5,717	3,953	19,988
Charges for Services				
Miscellaneous		2,500		
Total Revenues	349,800	188,603	41,773	236,762
EXPENDITURES				
Current:				
General Government				
Highways and Streets		5,082		
Community Services			9,996	
Housing				
Capital Outlay			47,767	
Debt Service:				
Principal				
Interest and Fiscal Charges				
Total Expenditures	-	5,082	57,763	-
Excess (Deficiency) of Revenues Over Expenditures	349,800	183,521	(15,990)	236,762
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	(340,000)		(6,489)	
Total Other Financing Sources (Uses)	(340,000)	-	(6,489)	-
Net Change in Fund Balances	9,800	183,521	(22,479)	236,762
Fund Balance, Beginning of Year	52,377	20,227	125,230	380,025
Fund Balance, End of Year	$ 62,177	$ 203,748	$ 102,751	$ 616,787

Special Revenue Funds	Capital Projects Funds		
Chapman House Estate	Public Facilities	Park Development	Circulation Improvement
$	$	$	$
1,088	33	18,282	14,864
		70,285	
33,800		11,460	38,793
34,888	33	100,027	53,657
		4,270	
55,311			
		215,174	5,731
55,311	-	219,444	5,731
(20,423)	33	(119,417)	47,926
2,750			
		(45,000)	(70,384)
2,750	-	(45,000)	(70,384)
(17,673)	33	(164,417)	(22,458)
42,135	850	662,210	493,484
$ 24,462	$ 883	$ 497,793	$ 471,026

Continued

City of Pismo Beach, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Non-major Governmental Funds
Year Ended June 30, 2020

	Capital Project Funds			Debt Service Funds
	Impact Fees	Development Impact Fees	Underground Utility	City of Pismo Beach Public Financing Agency
REVENUES				
Subventions and Grants	$	$	$	$
Investment Earnings	21,547	4,460	626	3,592
Charges for Services	84,587			
Miscellaneous				
Total Revenues	106,134	4,460	626	3,592
EXPENDITURES				
Current:				
General Government				
Highways and Streets				
Community Services	2,070	3,067		
Housing				
Capital Outlay				
Debt Service:				
Principal				272,307
Interest and Fiscal Charges				434,033
Total Expenditures	2,070	3,067	-	706,340
Excess (Deficiency) of Revenues (Under) Over Expenditures	104,064	1,393	626	(702,748)
OTHER FINANCING SOURCES (USES)				
Transfers In				656,099
Transfers Out	(31,894)			(338,303)
Total Other Financing Sources (Uses)	(31,894)	-	-	317,796
Net Change in Fund Balances	72,170	1,393	626	(384,952)
Fund Balance, Beginning of Year	738,469	62,396	15,998	384,989
Fund Balance, End of Year	$ 810,639	$ 63,789	$ 16,624	$ 37

Debt Service Funds			
Indio / El Portal Assessment District	Visalia Assessment District	Reassessment District	Total Non-major Governmental Funds
$	$	$	$ 776,193
82	3,835	513	107,167
			154,872
			86,553
82	3,835	513	1,124,785
			5,082
			19,403
			55,311
			268,672
			272,307
			434,033
-	-	-	1,054,808
82	3,835	513	69,977
			658,849
			(832,070)
-	-	-	(173,221)
82	3,835	513	(103,244)
662	97,856	13,062	3,089,970
$ 744	$ 101,691	$ 13,575	$ 2,986,726

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 3,226,724	$ 10,105,599	$ 1,694,796	$ (8,410,803)
Miscellaneous		1,754,066	1,548,170	(205,896)
Total Revenues	3,226,724	11,859,665	3,242,966	(8,616,699)
EXPENDITURES				
Current:				
Highways and Streets		388,725	141,880	246,845
Capital Outlay	8,409,043	29,071,150	14,665,871	14,405,279
Total Expenditures	8,409,043	29,459,875	14,807,751	14,652,124
Excess (Deficiency) of Revenues over Expenditures	(5,182,319)	(17,600,210)	(11,564,785)	6,035,425
OTHER FINANCING SOURCES (USES)				
Transfers In	5,182,319	17,304,967	11,409,393	(5,895,574)
Transfers Out			(1,081)	(1,081)
Total Other Financing Sources (Uses)	5,182,319	17,304,967	11,408,312	(5,896,655)
Net Change in Fund Balances	-	(295,243)	(156,473)	138,770
Fund Balance, Beginning of Year	867,340	867,340	867,340	-
Fund Balance, End of Year	$ 867,340	$ 572,097	$ 710,867	$ 138,770

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 365,793	$ 365,793	$ 341,213	$ (24,580)
Investment Earnings	4,000	4,000	8,587	4,587
Total Revenues	369,793	369,793	349,800	(19,993)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(140,000)	(340,475)	(340,000)	475
Total Other Financing Sources (Uses)	(140,000)	(340,475)	(340,000)	475
Net Change in Fund Balances	229,793	29,318	9,800	(19,518)
Fund Balance, Beginning of Year	52,377	52,377	52,377	-
Fund Balance, End of Year	$ 282,170	$ 81,695	$ 62,177	$ (19,518)

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 168,386	$ 168,386	$ 180,386	$ 12,000
Investment Earnings	2,000	2,000	5,717	3,717
Miscellaneous	2,500	2,500	2,500	-
Total Revenues	172,886	172,886	188,603	15,717
EXPENDITURES				
Current:				
Highways and Streets	5,082	5,082	5,082	-
Total Expenditures	5,082	5,082	5,082	-
Net Change in Fund Balances	167,804	167,804	183,521	15,717
Fund Balance, Beginning of Year	20,227	20,227	20,227	-
Fund Balance, End of Year	$ 188,031	$ 188,031	$ 203,748	$ 15,717

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 35,000	$ 35,000	$ 37,820	$ 2,820
Investment Earnings			3,953	3,953
Total Revenues	35,000	35,000	41,773	6,773
EXPENDITURES				
Current:				
Community Services	15,000	15,000	9,996	5,004
Capital Outlay		74,500	47,767	26,733
Total Expenditures	15,000	89,500	57,763	31,737
Excess (Deficiency) of Revenues over Expenditures	20,000	(54,500)	(15,990)	38,510
OTHER FINANCING SOURCES (USES)				
Transfers Out		(6,489)	(6,489)	-
Total Other Financing Sources (Uses)		(6,489)	(6,489)	-
Net Change in Fund Balances	20,000	(60,989)	(22,479)	38,510
Fund Balance, Beginning of Year	125,230	125,230	125,230	-
Fund Balance, End of Year	$ 145,230	$ 64,241	$ 102,751	$ 38,510

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Noncapital Grants Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 130,000	$ 130,000	$ 216,774	$ 86,774
Investment Earnings	2,000	2,000	19,988	17,988
Total Revenues	132,000	132,000	236,762	104,762
EXPENDITURES				
Current:				
Public Safety				
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	132,000	132,000	236,762	104,762
OTHER FINANCING SOURCES (USES)				
Transfers Out	(80,000)	(194,009)	-	194,009
Total Other Financing Sources (Uses)	(80,000)	(194,009)	-	194,009
Net Change in Fund Balances	52,000	(62,009)	236,762	298,771
Fund Balance, Beginning of Year	380,025	380,025	380,025	-
Fund Balance, End of Year	$ 432,025	$ 318,016	$ 616,787	$ 298,771

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 500	$ 500	$ 1,088	$ 588
Miscellaneous	16,500	16,500	33,800	17,300
Total Revenues	17,000	17,000	34,888	17,888
EXPENDITURES				
Current:				
Housing	225,491	80,832	55,311	25,521
Capital Outlay	50,000	50,000	-	50,000
Total Expenditures	275,491	130,832	55,311	75,521
Excess (Deficiency) of Revenues over Expenditures	(258,491)	(113,832)	(20,423)	93,409
OTHER FINANCING SOURCES (USES)				
Transfers In	240,000	90,000	2,750	25,521
Total Other Financing Sources (Uses)	240,000	90,000	2,750	25,521
Net Change in Fund Balance	(18,491)	(23,832)	(17,673)	118,930
Fund Balance, Beginning of Year	42,135	42,135	42,135	-
Fund Balance, End of Year	$ 23,644	$ 18,303	$ 24,462	$ 118,930

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Facilities Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ -	$ -	$ 33	$ 33
Total Revenues	-	-	33	33
Excess (Deficiency) of Revenues over Expenditures	-	-	33	33
Net Change in Fund Balances	-	-	33	33
Fund Balance, Beginning of Year	850	850	850	-
Fund Balance, End of Year	$ 850	$ 850	$ 883	$ -

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Development Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 18,000	$ 18,000	$ 18,282	$ 282
Charges for Services	30,000	30,000	70,285	40,285
Miscellaneous			11,460	11,460
Total Revenues	48,000	48,000	100,027	52,027
EXPENDITURES				
Current:				
Community Services	4,270	4,270	4,270	-
Capital Outlay		579,809	215,174	364,635
Total Expenditures	4,270	584,079	219,444	364,635
Excess (Deficiency) of Revenues over Expenditures	43,730	(536,079)	(119,417)	416,662
OTHER FINANCING SOURCES (USES)				
Transfers Out		(45,000)	(45,000)	-
Total Other Financing Sources (Uses)	-	(45,000)	(45,000)	-
Net Change in Fund Balances	43,730	(581,079)	(164,417)	416,662
Fund Balance, Beginning of Year	662,210	662,210	662,210	-
Fund Balance, End of Year	$ 705,940	$ 81,131	$ 497,793	$ 416,662

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Circulation Improvement Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 7,000	$ 7,000	$ 14,864	$ 7,864
Miscellaneous			38,793	38,793
Total Revenues	7,000	7,000	53,657	46,657
EXPENDITURES				
Capital Outlay	90,000	95,732	5,731	90,001
Total Expenditures	90,000	95,732	5,731	90,001
Excess (Deficiency) of Revenues over Expenditures	(83,000)	(88,732)	47,926	136,658
OTHER FINANCING SOURCES (USES)				
Transfers Out		(371,359)	(70,384)	300,975
Total Other Financing Sources (Uses)	-	(371,359)	(70,384)	300,975
Net Change in Fund Balances	(83,000)	(460,091)	(22,458)	437,633
Fund Balance, Beginning of Year	493,484	493,484	493,484	-
Fund Balance, End of Year	$ 410,484	$ 33,393	$ 471,026	$ 437,633

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Impact Fees Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 10,000	$ 10,000	$ 21,547	$ 11,547
Charges for Services			84,587	84,587
Total Revenues	10,000	10,000	106,134	96,134
EXPENDITURES				
Current:				
Community Services	1,225	619,053	2,070	616,983
Total Expenditures	1,225	619,053	2,070	616,983
Excess (Deficiency) of Revenues over Expenditures	8,775	(609,053)	104,064	713,117
OTHER FINANCING SOURCES (USES)				
Transfers Out		(31,894)	(31,894)	-
Total Other Financing Sources (Uses)	-	(31,894)	(31,894)	-
Net Change in Fund Balances	8,775	(640,947)	72,170	713,117
Fund Balance, Beginning of Year	738,469	738,469	738,469	-
Fund Balance, End of Year	$ 747,244	$ 97,522	$ 810,639	$ 713,117

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 4,460	$ 4,460
Total Revenues	-	-	4,460	4,460
EXPENDITURES				
Current:				
Community Services			3,067	(3,067)
Total Expenditures	-	-	3,067	(3,067)
Excess (Deficiency) of Revenues over Expenditures	-	-	1,393	1,393
Net Change in Fund Balances	-	-	1,393	1,393
Fund Balance, Beginning of Year	62,396	62,396	62,396	-
Fund Balance, End of Year	$ 62,396	$ 62,396	$ 63,789	$ 1,393

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Underground Utility Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 626	$ 626
Total Revenues	-	-	626	626
Excess (Deficiency) of Revenues over Expenditures	-	-	626	626
Net Change in Fund Balances	-	-	626	626
Fund Balance, Beginning of Year	15,998	15,998	15,998	-
Fund Balance, End of Year	$ 15,998	$ 15,998	$ 16,624	$ 626

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ -	$ -	$ 3,592	$ 3,592
Total Revenues	-	-	3,592	3,592
EXPENDITURES				
Debt Service:				
Principal	272,307	272,307	272,307	-
Interest and Fiscal Charges	436,733	436,732	434,033	2,699
Total Expenditures	709,040	709,039	706,340	2,699
Excess (Deficiency) of Revenues over Expenditures	(709,040)	(709,039)	(702,748)	6,291
OTHER FINANCING SOURCES (USES)				
Transfers In	709,040	709,262	656,099	(53,163)
Transfers Out		(431,615)	(338,303)	93,312
Total Other Financing Sources (Uses)	709,040	277,647	317,796	40,149
Net Change in Fund Balances	-	(431,392)	(384,952)	46,440
Fund Balance, Beginning of Year	384,989	384,989	384,989	-
Fund Balance, End of Year	$ 384,989	$ (46,403)	$ 37	$ 46,440

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 82	$ 82
Total Revenues	-	-	82	82
Net Change in Fund Balances	-	-	82	82
Fund Balance, Beginning of Year	662	662	662	-
Fund Balance, End of Year	$ 662	$ 662	$ 744	$ 82

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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 3,835	$ 3,835
Total Revenues	-	-	3,835	3,835
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)	3,835	88,835
Fund Balance, Beginning of Year	97,856	97,856	97,856	-
Fund Balance, End of Year	$ 97,856	$ 12,856	$ 101,691	$ 88,835

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Reassessment District Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 513	$ 513
Total Revenues	-	-	513	513
Net Change in Fund Balances	-	-	513	513
Fund Balance, Beginning of Year	13,062	13,062	13,062	-
Fund Balance, End of Year	$ 13,062	$ 13,062	$ 13,575	$ 513

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, 2020

	Enterprise		Total Non-major Enterprise Funds
	Transit	Parking	
ASSETS			
Current Assets:			
Cash and Investments	$ 21,968	$ 1,560,108	$ 1,582,076
Accounts Receivable		32,721	32,721
Accrued Interest Receivable	80	2,635	2,715
Prepayments		695	695
Total Current Assets	22,048	1,596,159	1,618,207
Capital Assets:			
Land		900,646	900,646
Construction in Progress		250,000	250,000
Building		1,144,953	1,144,953
Equipment		128,909	128,909
Total Capital Assets		2,424,508	2,424,508
Less Accumulated Depreciation		(114,786)	(114,786)
Capital Assets, Net of Accumulated Depreciation	-	2,309,722	2,309,722
Total Assets	22,048	3,905,881	3,927,929
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related		53,244	53,244
OPEB Related		13,601	13,601
Total Deferred Outflows of Resources	-	66,845	66,845
LIABILITIES			
Current Liabilities:			
Accounts Payable	136	13,441	13,577
Accrued Liabilities		10,766	10,766
Current Portion of Compensated Absences		2,506	2,506
Total Current Liabilities	136	26,713	26,849
Noncurrent Liabilities:			
Compensated Absences, Net of Current Portion		7,518	7,518
Net Pension Liability		196,172	196,172
Net Pension OPEB		21,123	21,123
Total Noncurrent Liabilities	-	224,813	224,813
Total Liabilities	136	251,526	251,662
DEFERRED INFLOWS OF RESOURCES			
Pension Related		21,476	21,476
OPEB Related		11,333	11,333
Total Deferred Inflows of Resources	-	32,809	32,809
NET POSITION			
Net Investment in Capital Assets		2,309,722	2,309,722
Unrestricted	21,912	1,378,669	1,400,581
Total Net Position	$ 21,912	$ 3,688,391	$ 3,710,303

City of Pismo Beach, California
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-major Proprietary Funds
Year Ended June 30, 2020

	Enterprise		Total Non-major Enterprise Funds
	Transit	Parking	
OPERATING REVENUES			
Service Fees	$	$ 939,558	$ 939,558
Miscellaneous	11,000	17,688	28,688
Total Operating Revenues	11,000	957,246	968,246
OPERATING EXPENSES			
Salaries and Benefits		154,380	154,380
Services and Supplies	1,714	297,418	299,132
Depreciation and Amortization		57,882	57,882
Total Operating Expenses	1,714	509,680	511,394
Operating Income	9,286	447,566	456,852
NONOPERATING REVENUES (EXPENSES)			
Investment Earnings	743	73,197	73,940
Total Nonoperating Revenues (Expenses)	743	73,197	73,940
OTHER FINANCING SOURCES (USES)			
Transfers Out		(2,926)	(2,926)
Total Other Financing Sources (Uses)	-	(2,926)	(2,926)
Change in Net Position	10,029	517,837	527,866
Total Net Position - Beginning of Year	11,883	3,170,554	3,182,437
Total Net Position - End of Year	$ 21,912	$ 3,688,391	$ 3,710,303

City of Pismo Beach, California
Combining Statement of Cash Flows
Non-major Proprietary Funds
Year Ended June 30, 2020

	Enterprise		Total Non-major Enterprise Funds
	Transit	Parking	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	$ 11,000	$ 972,221	$ 983,221
Payments to Suppliers for Goods and Services	(1,916)	(295,335)	(297,251)
Payments to Employees for Wages and Benefits		(220,508)	(220,508)
Net Cash Provided by (Used for) Operating Activities	9,084	456,378	465,462
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers to Other Funds		(2,926)	(2,926)
Net Cash Provided by (Used for) Noncapital Financing	-	(2,926)	(2,926)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of Capital Assets		(1,702,654)	(1,702,654)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(1,702,654)	(1,702,654)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	730	79,613	80,343
Net Cash Provided by (Used for) Investing Activities	730	79,613	80,343
Net Change in Cash and Cash Equivalents	9,814	(1,169,589)	(1,159,775)
Cash and Cash Equivalents - Beginning of Year	12,154	2,729,697	2,741,851
Cash and Cash Equivalents - End of Year	$ 21,968	$ 1,560,108	$ 1,582,076

Continued

City of Pismo Beach, California
Combining Statement of Cash Flows - Continued
Non-major Proprietary Funds
Year Ended June 30, 2020

	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)	$ 9,286	$ 447,566	$ 456,852
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization		57,882	57,882
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivables		14,975	14,975
Prepaymens		(695)	(695)
Deferred Outflows of Resources - Pensions		34,380	34,380
Deferred Outflows of Resources - OPEB		6,087	6,087
Accounts Payable	(202)	2,778	2,576
Accrued Liabilities		6,765	6,765
Compensated Absences		1,036	1,036
Net Pension Liability		(78,597)	(78,597)
Net OPEB Liability		(38,220)	(38,220)
Deferred Inflows of Resources - Pensions		(6,646)	(6,646)
Deferred Inflows of Resources - OPEB		9,067	9,067
Net Cash Provided by Operating Activities	$ 9,084	$ 456,378	$ 465,462

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, 2020

	Technology Service Fund	Motor Vehicle Fund	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 32,345	$ 429,245	$ 461,590
Accounts Receivable		73,298	73,298
Accrued Interest Receivable	75	825	900
Advances from Other Funds		3,281,791	3,281,791
Total Current Assets	32,420	3,785,159	3,817,579
Capital Assets:			
Vehicles		4,994,936	4,994,936
Equipment	183,022	610,543	793,565
Total Capital Assets	183,022	5,605,479	5,788,501
Less Accumulated Depreciation	(89,317)	(3,085,898)	(3,175,215)
Capital Assets, Net of Accumulated Depreciation	93,705	2,519,581	2,613,286
Total Assets	126,125	6,304,740	6,430,865
LIABILITIES			
Current Liabilities:			
Accounts Payable	22,518	26,611	49,129
Accrued Liabilities	4,014	4,559	8,573
Current Portion of Compensated Absences	1,240	2,306	3,546
Total Current Liabilities	27,772	33,476	61,248
Noncurrent Liabilities			
Compensated Absences, Net of Current Portion	3,719	6,917	10,636
Total Noncurrent Liabilities	3,719	6,917	10,636
Total Liabilities	31,491	40,393	71,884
NET POSITION			
Net Investment in Capital Assets	93,705	2,519,581	2,613,286
Unrestricted	929	3,744,766	3,745,695
Total Net Position	$ 94,634	$ 6,264,347	$ 6,358,981

City of Pismo Beach, California
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2020

	Technology Service Fund	Motor Vehicle Fund	Total
OPERATING REVENUES			
Service Fees	$ 640,685	$ 499,999	$ 1,140,684
Total Operating Revenues	640,685	499,999	1,140,684
OPERATING EXPENSES			
Salaries and Benefits	155,200	138,363	293,563
Services and Supplies	587,059	393,596	980,655
Depreciation and Amortization	34,698	448,327	483,025
Total Operating Expenses	776,957	980,286	1,757,243
Operating Income (Loss)	(136,272)	(480,287)	(616,559)
NON-OPERATING REVENUES (EXPENSES)			
Grant Revenues		15,394	15,394
Gain (Loss) on Disposal of Capital Assets		35,555	35,555
Investment Earnings	1,061	40,667	41,728
Total Non-operating Revenues (Expenses)	1,061	91,616	92,677
Net Income Before Transfers	(135,211)	(388,671)	(523,882)
TRANSFERS			
Transfers In	101,574	641,482	743,056
Transfers Out		(622)	(622)
Total Transfers	101,574	640,860	742,434
Change in Net Position	(33,637)	252,189	218,552
Total Net Position - Beginning of Year	128,271	6,012,158	6,140,429
Total Net Position - End of Year	$ 94,634	$ 6,264,347	$ 6,358,981

City of Pismo Beach, California
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2020

	Internal Service Funds		
	Technology Service Fund	Motor Vehicle Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Other Funds for Services	$ 640,685	$ 514,051	$ 1,154,736
Payments to Suppliers for Goods and Services	(562,283)	(391,680)	(953,963)
Payments to Employees for Wages and Benefits	(151,920)	(131,759)	(283,679)
Net Cash Provided by (Used for) Operating Activities	(73,518)	(9,388)	(82,906)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances to Other Funds		(3,281,791)	(3,281,791)
Transfers from Other Funds	101,574	640,860	742,434
Net Cash Provided by (Used for) Noncapital Financing	101,574	(2,640,931)	(2,539,357)
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of Capital Assets		(573,851)	(573,851)
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	(573,851)	(573,851)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	986	42,805	43,791
Net Cash Provided by (Used for) Investing Activities	986	42,805	43,791
Net Change in Cash and Cash Equivalents	29,042	(3,181,365)	(3,152,323)
Cash and Cash Equivalents - Beginning of Year	3,303	3,610,610	3,613,913
Cash and Cash Equivalents - End of Year	$ 32,345	$ 429,245	$ 461,590

Continued

City of Pismo Beach, California
Combining Statement of Cash Flows - Continued
Internal Service Funds
Year Ended June 30, 2020

	Enterprise		Total Nonmajor Enterprise Funds
	Transit	Parking	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$ (136,272)	$ (480,287)	$ (616,559)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization	34,698	448,327	483,025
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivables		14,052	14,052
Prepayments	5,907		5,907
Accounts Payable	18,869	1,916	20,785
Accrued Liabilities	867	2,454	3,321
Compensated Absences	2,413	4,150	6,563
Net Cash Provided by Operating Activities	$ (73,518)	$ (9,388)	$ (82,906)

City of Pismo Beach, California
Comparative Schedule of Capital Assets
By Source
June 30, 2020

	2020	2019
Capital Assets Used in Governmental Activities:		
Land	$ 17,848,795	$ 7,348,795
Buildings	7,024,159	5,531,963
Improvements	12,203,724	10,433,051
Equipment	3,051,630	3,033,472
Vehicles - Internal Service	5,605,478	5,849,780
Infrastructure - Street System:		
Right of Way	5,068,528	5,068,528
Pavement System	51,284,830	50,369,295
Medians	73,232	73,232
Curbs and Gutters	521,095	521,095
Sidewalks	1,499,005	1,499,005
Traffic Signals	415,408	415,408
Street Lights	1,212,168	1,212,168
Highway 101 Interchange	2,976,490	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	20,900,166	8,051,515
Total Capital Assets Used in Governmental Activities	$ 130,685,138	$ 103,133,952
Investment in Capital Assets from:		
General Fund	$ 2,526,654	$ 2,469,590
Contributions from Developers	13,534,976	12,619,441
Donated Asset	12,000,000	-
Special Revenue Funds	3,936,028	3,890,760
Internal Service Fund	5,599,984	5,844,287
Capital Projects Fund	93,087,496	78,309,874
Total Investment in Capital Assets Used in Governmental Activities	$ 130,685,138	$ 103,133,952

City of Pismo Beach, California
Schedule of Changes in Capital Assets
By Source
June 30, 2020

	Right of Way and Land	Infrastructure	Buildings	Equipment, Vehicles, Improvements, and CIP	Total Cost
Governmental Capital Assets June 30, 2019	$ 12,417,323	$ 57,816,848	$ 5,531,963	$ 27,367,818	$ 103,133,952
Add:					
Expenditures from:					
Capital Projects	10,500,000	1,165,810	1,492,196	16,931,543	30,089,549
Internal Service				445,916	445,916
Deduct:					
Retired / Transferred				(2,984,279)	(2,984,279)
Governmental Capital Assets June 30, 2020	$ 22,917,323	$ 58,982,658	$ 7,024,159	$ 41,760,998	$ 130,685,138

City of Pismo Beach, California
Schedule of Capital Assets
By Function and Activity
June 30, 2020

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	$ 3,380,241	$ 5,447,773
Public Safety	5,566		2,844,973	3,523,831	6,374,370
Parks and Recreation	14,876,379		2,431,596	8,386,351	25,694,326
Street System and CIP	5,460,029	54,499,968		26,436,354	86,396,351
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	$ 22,917,323	$ 58,982,659	$ 7,024,159	$ 41,760,997	$ 130,685,138

City of Pismo Beach, California
Schedule of Changes in Capital Assets
By Function and Activity
June 30, 2020

Function and Activity	Beginning Balance	Additions	Transfers / Deductions	Ending Balance
General Government:				
General Operations	$ 4,239,652	$ 1,595,593	$ (387,472)	$ 5,447,773
Public Safety	6,682,537	282,293	(590,459)	6,374,371
Parks and Recreation	13,057,558	12,644,572	(7,804)	25,694,326
Streets and CIP	72,381,887	16,013,007	(1,998,544)	86,396,350
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	$ 103,133,952	$ 30,535,465	$ (2,984,279)	$ 130,685,138

City of Pismo Beach, California
Statement of Changes in Assets and Liabilities
San Luis Obispo County Tourism Fund
June 30, 2020

	Beginning Balance	Additions	Transfers / Deductions	Ending Balance
ASSETS				
Cash and Cash Equivalents	$ 86,025	$ 939,900	$ (961,239)	$ 64,686
Accounts Receivable	115,709	265,706	(262,781)	118,634
Total Assets	$ 201,734	$ 1,205,606	$ (1,224,020)	$ 183,320
LIABILITIES				
Due to Other Governmental Agencies	$ 201,734	$ 2,055,109	$ (2,073,523)	$ 183,320
Total Liabilities	$ 201,734	$ 2,055,109	$ (2,073,523)	$ 183,320

Statistical Section

City of Pismo Beach
Statistical Section - Overview
June 30, 2020

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

	2011	2012	2013	2014	2015
Governmental activities:					
Net investment in capital assets	$ 42,143,882	$ 41,532,098	$ 41,657,581	$ 40,197,149	$ 39,251,227
Restricted	5,502,365	4,580,838	3,157,166	4,861,886	4,184,820
Unrestricted	12,818,923	14,033,568	15,577,727	18,566,914	10,069,411
Total governmental activities net position	$ 60,465,170	$ 60,146,504	$ 60,392,474	$ 63,625,949	$ 53,505,458
Business-type activities:					
Net investment in capital assets	$ 14,555,227	$ 14,168,786	$ 18,715,142	$ 18,963,130	$ 20,129,677
Restricted	1,006,954	1,046,950	979,157	482,957	1,501,066
Unrestricted	10,172,270	11,754,782	9,608,168	11,634,062	12,561,208
Total business-type activities net position	$ 25,734,451	$ 26,970,518	$ 29,302,467	$ 31,080,149	$ 34,191,951
Primary government (City wide totals):					
Net investment in capital assets	$ 56,699,109	$ 55,700,884	$ 60,372,723	$ 59,160,279	$ 59,380,904
Restricted	6,509,319	5,627,788	4,136,323	5,344,843	5,685,886
Unrestricted	22,991,193	25,788,350	25,185,895	30,200,976	22,630,619
Total primary government net position	$ 86,199,621	$ 87,117,022	$ 89,694,941	$ 94,706,098	$ 87,697,409

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

2016	2017	2018	2019	2020
$ 40,900,410	$ 42,378,253	$ 37,034,179	$ 43,356,000	$ 68,744,732
6,702,558	8,284,649	7,953,098	5,980,066	5,367,307
14,455,616	10,904,295	19,502,567	20,263,916	12,400,117
$ 62,058,584	$ 61,567,197	$ 64,489,844	$ 69,599,982	$ 86,512,156
$ 20,011,697	$ 22,281,718	$ 29,967,919	$ 35,565,718	$ 41,209,062
1,989,793	763,188	7,396,315	3,485,309	2,291,691
14,105,083	23,790,177	12,917,394	16,783,439	15,707,406
$ 36,106,573	$ 46,835,083	$ 50,281,628	$ 55,834,466	$ 59,208,159
$ 60,912,107	$ 64,659,971	$ 67,002,098	$ 78,921,718	$ 109,953,794
8,692,351	9,047,837	15,349,413	9,465,375	7,658,998
28,560,699	34,694,472	32,419,961	37,047,355	28,107,523
$ 98,165,157	$ 108,402,280	$ 114,771,472	$ 125,434,448	$ 145,720,315

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

	2011	2012	2013	2014	2015
Expenses:					
Governmental activities:					
General government	$ 4,599,550	$ 5,510,343	$ 6,053,693	$ 5,860,017	$ 8,310,400
Police	5,015,781	5,220,437	5,276,282	4,949,673	3,556,827
Fire	1,674,882	1,697,174	1,743,101	2,020,895	2,094,768
Public works	1,059,384	860,974	1,863,593	1,870,369	1,752,177
Streets	2,505,562	2,649,438	3,063,624	2,668,703	3,254,806
Community Services	2,628,374	2,929,011	1,802,310	1,983,046	1,848,006
Redevelopment and Housing	413,839	97,790	1,000	500	4,700
Interest on long-term debt	186,256	175,533	161,092	151,162	140,806
Total governmental activities expenses	18,083,628	19,140,700	19,964,695	19,504,365	20,962,490
Business-type activities:					
Water	4,722,232	4,346,199	4,293,748	4,438,880	4,790,817
Wastewater	3,161,602	3,022,147	2,991,561	3,332,885	2,892,629
Pier	287,367	111,824	91,199	80,406	206,484
Parking	299,100	284,659	364,146	326,696	370,458
Transit	6,532	8,740	8,755	10,762	8,615
Total business-type activities expenses	8,476,833	7,773,569	7,749,409	8,189,629	8,269,003
Total City government expenses	$ 26,560,461	$ 26,914,269	$ 27,714,104	$ 27,693,994	$ 29,231,493
Program Revenues:					
Governmental activities:					
Charges for services:					
General government	$ 1,301,669	$ 1,462,725	$ 1,561,512	$ 1,762,469	$ 1,951,778
Police protection	167,006	115,155	119,945	134,343	114,191
Fire protection	10,886	10,576	28,251	48,104	137,922
Public works	-	-	859,602	1,511,764	1,598,614
Streets	22,992	144,198	11,151	33,950	182,728
Community Services	650,435	1,135,056	232,068	838,828	747,979
Redevelopment and Housing	5,098	86,264	5,507	66,410	711,956
Operating grants and contributions	446,036	692,373	758,435	653,736	1,014,648
Capital grants and contributions	1,683,554	1,333,881	245,533	303,229	231,893
Total governmental activities program revenues	4,287,676	4,980,228	3,822,004	5,352,833	6,691,709

2016	2017	2018	2019	2020
$ 6,478,517	$ 6,138,982	$ 8,682,523	$ 7,386,249	$ 8,839,242
4,415,960	5,057,206	5,524,313	6,886,401	7,320,891
2,300,397	2,404,407	2,273,823	2,464,794	2,904,909
2,191,332	2,165,762	3,538,379	4,139,918	4,975,583
1,894,967	2,807,486	758,733	766,752	1,039,932
1,730,536	1,575,249	2,184,612	1,750,512	2,204,009
5,172	9,779	141,952	148,525	66,287
129,590	149,699	424,283	437,597	427,879
19,146,471	20,308,570	23,528,618	23,980,748	27,778,732
5,411,932	5,130,481	5,627,557	5,612,129	6,184,516
3,218,792	3,543,794	2,988,446	3,490,726	3,673,374
74,525	106,954	94,835	178,397	307,658
584,809	412,831	522,958	682,449	509,680
8,915	10,321	7,740	2,460	1,714
9,298,973	9,204,381	9,241,536	9,966,161	10,676,942
$ 28,445,444	$ 29,512,951	$ 32,770,154	$ 33,946,909	$ 38,455,674
$ 1,996,898	$ 2,082,125	$ 2,141,024	$ 2,537,482	$ 3,180,616
99,422	123,365	147,488	222,270	134,092
110,111	73,061	42,794	97,210	40,223
1,924,604	2,397,389	851,257	1,008,830	831,871
232,322	163,015	7,663	57,936	13,254
808,849	438,089	309,107	446,437	382,976
1,366,649	543,889	92,635	60,724	277,095
720,505	494,291	436,647	2,005,434	2,628,176
179,020	803,852	4,079,117	2,514,943	15,278,174
7,438,380	7,119,076	8,107,732	8,951,266	22,766,477

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

	2011	2012	2013	2014	2015
Business-type activities:					
Charges for services:					
Water	$ 3,391,156	$ 3,711,537	$ 3,459,033	$ 3,920,594	$ 3,817,994
Wastewater	3,323,502	3,537,357	3,572,531	3,848,743	5,065,797
Pier	15,113	13,361	14,024	14,105	14,925
Parking	521,227	567,892	515,675	551,567	566,370
Transit	(3)	-	6,505	8,103	18,016
Operating grants and contributions	-	-	-	-	-
Capital grants and contributions	-	31,700	-	-	-
Total business-type activities programs revenues	7,250,995	7,861,847	7,567,768	8,343,112	9,483,102
Total City government program revenues	$ 11,538,671	$ 12,842,075	$ 11,389,772	$ 13,695,945	$ 16,174,811
Net Revenues (Expenses):					
Governmental activities	$ (13,795,952)	$ (14,160,472)	$ (16,142,691)	$ (14,151,532)	$ (14,270,781)
Business-type activities	(1,225,838)	88,278	(181,641)	153,483	1,214,099
Total City government	$ (15,021,790)	$ (14,072,194)	$ (16,324,332)	$ (13,998,049)	$ (13,056,682)
General Revenues and Other Changes in Net Position:					
Governmental activities:					
Taxes:					
Property taxes	$ 3,803,530	$ 3,763,419	$ 4,015,999	$ 4,193,186	$ 4,392,370
Incremental property taxes	346,178	172,829	-	-	-
Sales taxes	3,379,575	3,511,091	3,905,814	4,104,284	4,497,958
Transient occupancy taxes	6,269,608	6,931,197	7,279,501	7,988,237	8,682,119
Other taxes	707,450	778,402	848,095	863,698	890,811
Investment earnings	272,846	233,627	137,101	142,180	205,281
Miscellaneous	44,214	-	-	-	64,428
Transfers	(219,479)	143,770	26,409	93,422	(696,140)
Extraordinary item - RDA	-	(1,692,529)	-	-	-
Total governmental activities	14,603,922	13,841,806	16,212,919	17,385,007	18,036,827
Business-type activities					
Special Water Taxes	1,261,798	1,291,559	1,543,588	1,717,621	2,672,840
Investment Earnings	-	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-	-
Other Revenue	-	-	-	-	-
Transfers	219,479	(143,770)	(26,409)	(93,422)	696,140
Total business-type activities	1,481,277	1,147,789	1,517,179	1,624,199	3,368,980
Total City government	$ 16,085,199	$ 14,989,595	$ 17,730,098	$ 19,009,206	$ 21,405,807
Change in net position:					
Governmental activities	$ 807,970	$ (318,666)	$ 70,228	$ 3,233,475	$ 3,766,046
Business-type activities	255,439	1,236,067	1,335,538	1,777,682	4,583,079
Total City government	$ 1,063,409	$ 917,401	$ 1,405,766	$ 5,011,157	$ 8,349,125

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

2016	2017	2018	2019	2020
$ 4,709,473	$ 5,448,798	$ 4,849,034	$ 4,382,106	$ 4,729,724
4,633,274	4,765,561	5,047,984	5,121,062	5,020,653
15,904	37,071	24,045	12,938	3,300
644,922	816,689	763,416	1,142,142	968,246
10,539	15,002	10,000	-	-
-	-	-	-	-
31,850	-	-	432,811	-
10,045,962	11,083,121	10,694,479	11,091,059	10,721,923
$ 17,484,342	$ 18,202,197	$ 18,802,211	$ 20,042,325	$ 33,488,400
$ (11,708,091)	$ (13,189,494)	$ (15,420,886)	$ (15,029,482)	$ (5,012,255)
746,989	1,878,740	1,452,943	1,124,898	44,981
$ (10,961,102)	$ (11,310,754)	$ (13,967,943)	$ (13,904,584)	$ (4,967,274)
$ 4,662,304	$ 5,054,866	$ 5,334,500	$ 5,619,427	$ 5,935,388
-	-			-
4,485,779	4,433,756	4,689,005	4,815,640	4,537,068
9,199,947	9,330,651	10,039,921	10,498,160	9,395,523
915,610	1,045,733	976,359	1,000,717	1,041,314
397,199	168,833	306,056	994,991	1,091,391
74,243	227,618	37,638	113,048	50,731
(71,219)	(7,563,349)	(601,476)	(2,902,363)	(126,986)
-	-	-	-	-
19,663,863	12,698,108	20,782,003	20,139,620	21,924,429
1,266,322	1,286,422	1,320,604	1,362,579	1,398,622
-	-	(26,137)	815,787	753,104
-	-	240,120	(652,789)	
-	-	46,948		1,050,000
71,219	7,563,349	601,476	2,902,363	126,986
1,337,541	8,849,771	2,183,011	4,427,940	3,328,712
$ 21,001,404	$ 21,547,879	$ 22,965,014	$ 24,567,560	$ 25,253,141
$ 7,955,772	$ (491,386)	$ 5,361,117	$ 5,110,138	$ 16,912,174
2,084,530	10,728,511	3,635,954	5,552,838	3,373,693
$ 10,040,302	$ 10,237,125	$ 8,997,071	$ 10,662,976	$ 20,285,867

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

	2011	2012	2013	2014	2015
General fund:					
Nonspendable	$ 768,088	$ 462,005	$ 965,312	$ 88,805	$ 37,096
Restricted	-	-	-	-	-
Committed	190,575	141,756	204,139	9,592,749	8,258,692
Assigned	7,265,958	7,665,163	6,103,064	-	-
Unassigned	714,379	2,141,222	3,361,546	4,825,898	7,346,781
Total general fund	8,939,000	10,410,146	10,634,061	14,507,452	15,642,569
All other governmental funds:					
Nonspendable	-	1,657,235	1,697,235	1,121,826	1,086,826
Restricted	5,502,365	2,856,132	3,135,353	4,201,623	4,184,820
Committed	126,295	-	-	288,953	895,777
Assigned	368,032	276,240	236,068	-	-
Unassigned	-	(1,639,658)	(1,635,422)	(426,563)	-
Total all other governmental funds	5,996,692	3,149,949	3,433,234	5,185,839	6,167,423
Total all governmental funds	$ 14,935,692	$ 13,560,095	$ 14,067,295	$ 19,693,291	$ 21,809,992

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.

2016	2017	2018	2019	2020
$ 37,292	$ 43,026	$ 41,262	$ 1,155,945	$ 11,021
-	-	-	-	-
13,676,510	13,651,916	14,835,873	14,332,834	6,816,529
-		403,227	1,114,527	6,209,614
5,398,701	7,787,769	7,170,465	7,763,396	8,405,679
19,112,503	21,482,711	22,450,827	24,366,702	21,442,843
1,086,826	-	-	-	-
6,702,558	5,766,454	7,953,098	5,980,066	5,367,307
41,923	2,344,205	2,065,945	1,059,306	1,233,770
622,145	255,176	1,435,396	1,235,290	1,044,500
-	-	-	-	(2,935,590)
8,453,452	8,365,835	11,454,439	8,274,662	4,709,987
$ 27,565,955	$ 29,848,546	$ 33,905,266	$ 32,641,364	$ 26,152,830

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

	2011	2012	2013	2014	2015
Revenues:					
Taxes	$ 14,506	$ 15,157	$ 16,369	$ 17,136	$ 18,463
Licenses and permits	477	886	814	1,355	1,594
Fines and forfeits	97	82	64	67	68
Charges for services	873	1,147	320	1,168	1,887
Special assessments	624	686	728	799	868
Intergovernmental	2,190	1,984	1,129	927	1,188
Investment earnings & rent	332	269	261	289	393
Other revenues	12	110	616	1,414	894
Total revenues	19,111	20,321	20,301	23,155	25,355
Expenditures:					
General government	4,801	4,860	5,926	5,488	7,795
Public safety	6,574	6,792	6,856	6,823	6,693
Planning and Public Works	4,187	5,659	3,791	4,160	5,824
Recreation					
Capital outlay	3,258	3,115	2,508	436	1,370
Debt service:					
Costs of issuance	-	-	-	-	-
Principal	250	270	275	290	300
Interest	187	176	162	152	142
Total expenditures	19,257	20,872	19,518	17,349	22,124
Excess of revenues over (under) expenditures	(146)	(551)	783	5,806	3,231
Other Financing Sources (Uses)					
Proceeds from borrowing	-	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-	-
Transfers in	2,689	2,686	2,825	825	3,430
Transfers out	(3,242)	(2,819)	(3,101)	(1,099)	(4,544)
Total other financing sources (uses)	(553)	(133)	(276)	(274)	(1,114)
Extraordinary item:					
Dissolution of RDA	-	(692)	-	-	-
Net change in fund balance	$ (699)	$ (1,376)	$ 507	$ 5,532	$ 2,117
Debt service as a percentage of noncapital expenditures	2.73%	2.51%	2.57%	2.61%	2.13%

2016	2017	2018	2019	2020
$ 19,261	$ 19,763	$ 21,016	$ 21,897	$ 20,871
1,918	2,423	895	1,042	839
56	43	55	68	49
2,588	1,318	435	638	630
920	933	1,002	1,516	1,878
940	1,402	787	2,470	3,448
420	333	474	1,151	1,244
959	1,101	1,102	1,671	2,911
27,062	27,316	25,766	30,453	31,870
6,197	6,026	8,445	6,912	7,490
7,278	7,942	8,564	9,038	8,972
4,468	4,746	4,812	4,691	5,294
2,320	2,570	2,013	6,997	15,027
-	-	86	-	-
310	3,040	270	257	272
131	160	344	444	434
20,704	24,484	24,534	28,339	37,489
6,358	2,832	1,232	2,114	(5,619)
-	7,876	4,062	-	-
-	-	-	3	-
2,240	5,498	2,984	5,659	12,215
(2,842)	(13,923)	(4,222)	(9,040)	(13,084)
(602)	(549)	2,824	(3,378)	(869)
-	-	-	-	-
$ 5,756	$ 2,283	$ 4,056	$ (1,264)	$ (6,488)
2.40%	14.60%	2.74%	3.28%	3.14%

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			
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%
2019-2020	3,521,604	48,633	3,570,237	1.00%	8,873,486	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
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%
2019-2020	1.00%	0.00%	1.00%	0.1406%	0.0089%	1.1495%

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)

2020				2019			
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	$ 38,221	1	1.07%	Katelynn Nicole Sawyer	$ 34,822	1	1.04%
WM Pismo Beach Holdings LLC	37,917	2	1.06%	Prime Outlets of Pismo Beach	31,236	2	0.93%
Core Pismo, LLC	36,293	3	1.02%	Core Pismo, LLC	25,627	3	0.77%
Prime Outlets at Pismo Beach	31,882	4	0.89%	Spalding G. Wathen, Inc.	21,013	4	0.63%
SCM Pismo Beach Hotel LLC	25,264	5	0.71%	Castleback Pismo Beach	17,589	5	0.53%
Pismo Beach Hotel Investments LL(	22,995	6	0.64%	Cliffs Resort, LLC	16,095	6	0.48%
Spalding G Wathen Inc	21,433	7	0.60%	Pismo Coast Plaza, LLC	16,084	7	0.48%
Castleback Pismo Beach Owner LL(	17,923	8	0.50%	Pismo Shore Cliff, Inc.	15,691	8	0.47%
Cliffs Resort LLC	16,919	9	0.47%	Heron Crest Development	15,601	9	0.47%
Pismo Coast Plaza LLC	16,405	10	0.46%	Henry F. Myers Trust	14,230	10	0.43%
Total	$ 265,252		7.43%	Total	$ 207,988		6.21%

2018				2017			
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	$ 33,168	1	1.05%	Pismo Beach Mobile Home Park	$ 30,394	1	1.02%
Prime Outlets of Pismo Beach	30,624	2	0.97%	Prime Outlets of Pismo Beach	30,032	2	1.01%
Core Pismo, LLC	25,142	3	0.79%	Core Pismo, LLC	24,667	3	0.83%
Spalding G. Wathen, Inc.	20,601	4	0.65%	Spalding G. Wathen, Inc.	20,197	4	0.68%
Castleback Pismo Beach	17,262	5	0.54%	Castleback Pismo Beach	16,941	5	0.57%
Cliffs Resort, LLC	16,321	6	0.51%	Heron Crest Development	16,278	6	0.55%
Heron Crest Development	15,950	7	0.50%	Cliffs Resort, LLC	16,031	7	0.54%
Pismo Coast Plaza, LLC	15,769	8	0.50%	Pismo Coast Plaza, LLC	15,459	8	0.52%
Pismo Shore Cliff, Inc.	15,393	9	0.49%	Pismo Shore Cliff, Inc.	15,101	9	0.51%
Henry F. Myers Trust	13,951	10	0.44%	Henry F. Myers Trust	13,678	10	0.46%
Total	$ 204,181		6.44%	Total	$ 198,778		6.67%

2016				2015			
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.	$ 34,772	1	1.26%	Martin Resorts, Inc.	$ 34,109	1	1.31%
Prime Outlets of Pismo Beach	29,576	2	1.07%	Prime Outlets of Pismo Beach	29,050	2	1.12%
Pismo Beach Mobilehome Park	27,500	3	0.99%	Pismo Beach Mobilehome Park	25,854	3	0.99%
Core Pismo, LLC	24,238	4	0.88%	Core Pismo, LLC	23,723	4	0.91%
Spalding G. Wathen, Inc.	19,893	5	0.72%	Spalding G. Wathen, Inc.	20,329	5	0.78%
Castleblack Pismo Beach	17,300	6	0.62%	Heron Crest Development	15,719	6	0.60%
Heron Crest Development	16,033	7	0.58%	Cliffs Resort, LLC	15,011	7	0.58%
Cliffs Resort, LLC	15,291	8	0.55%	Pismo Coast Plaza, LLC	14,929	8	0.57%
Pismo Coast Plaza, LLC	15,227	9	0.55%	Henry F. Myers Trust	13,197	9	0.51%
Henry F. Myers Trust	13,679	10	0.49%	Castleblack Pismo Beach	11,819	10	0.45%
Total	$ 213,509		7.71%	Total	$ 203,740		7.83%

2014				2013			
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.	$ 33,959	1	1.36%	Martin Resorts, Inc.	$ 33,311	1	1.38%
Prime Outlets of Pismo Beach	28,919	2	1.16%	Prime Outlets of Pismo Beach	27,485	2	1.14%
Pismo Beach Mobilehome Park	24,645	3	0.99%	Spalding G. Wathen	23,600	3	0.98%
Core Pismo, LLC	23,620	4	0.95%	Pismo Beach Mobilehome Park	22,778	4	0.94%
Spalding G. Wathen, Inc.	21,058	5	0.84%	Core Pismo, LLC	19,335	5	0.80%
Heron Crest Development	15,648	6	0.63%	Heron Crest Development	15,341	6	0.64%
Cliffs Resort, LLC	14,948	7	0.60%	Cliffs Resort, LLC	14,675	7	0.61%
Pismo Coast Plaza, LLC	14,862	8	0.60%	Pismo Coast Plaza LLC	13,532	8	0.56%
K Partners Pismo Beach LP	11,773	9	0.47%	Kingfisher Canyon Development	12,068	9	0.50%
Pismo Development Group, LLC	10,610	10	0.43%	K Partners Pismo Beach LP	11,798	10	0.49%
Total	$ 200,042		8.02%	Total	$ 193,923		8.04%

2012				2011			
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.	$ 32,676	1	1.36%	Martin Resorts, Inc.	$ 33,751	1	1.39%
Prime Outlets of Pismo Beach	27,068	2	1.13%	Prime Outlets of Pismo Beach	26,867	2	1.11%
Spalding G. Wathen	23,888	3	0.99%	Pismo Beach Mobilehome Park	24,243	3	1.00%
Pismo Beach Mobilehome Park	22,827	4	0.95%	Spalding G. Wathen	23,710	4	0.98%
Core Pismo, LLC	19,335	5	0.81%	Core Pismo, LLC	22,575	5	0.93%
Heron Crest Development	15,041	6	0.63%	Heron Crest Development	14,928	6	0.62%
Cliffs Resort, LLC	14,406	7	0.60%	Cliffs Resort, LLC	14,306	7	0.59%
Pismo Coast Plaza LLC	13,335	8	0.56%	Pismo Coast Plaza LLC	13,262	8	0.55%
Kingfisher Canyon Development	12,108	9	0.50%	Kingfisher Canyon Development	12,197	9	0.50%
K Partners Pismo Beach LP	11,524	10	0.48%	K Partners Pismo Beach LP	11,343	10	0.47%
Total	$ 192,208		8.00%	Total	$ 197,182		8.13%

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
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%
2019-2020	5,935,388	5,935,388	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
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
2019-2020	269,174,200	7.75%	1.00%	0.50%	4,537,068

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)

2019

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 89,773	1	29.89%
Apparel Stores	69,227	2	23.05%
All Other Outlets	60,468	3	20.13%
Other Retail Stores	54,271	4	18.07%
Service Stations	26,611	5	8.86%
Food Stores		6	0.00%
Total	$ 300,350		100.00%

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%

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			
2020	**2019**	**2018**	**2017**
Arco	7 Eleven	Arco	Arco
Brads Restaurant	Arco	Brads Restaurant	Brads Restaurant
California Fresh	California Fresh	California Fresh	California Fresh
Calvin Klein	Calvin Klein	Calvin Klein	Calvin Klein
Carters	Chevron	Chevron	Chevron
Chevron	Cliffs at Shell Beach	Cliffs at Shell Beach	Cliffs at Shell Beach
Cliffs at Shell Beach	Coach	Coach	Coach
Coach	Cracked Crab	Cracked Crab	Cracked Crab
CVS Pharmacy	Dolphin Bay Lido Restaurant	CVS Pharmacy	CVS Pharmacy
Giuseppes Cucina	F Mclintocks Saloon	F Mclintocks Saloon	Dolphin Bay Lido Restaurant
Levis Outlet	General Electric	Levis Outlet	F Mclintocks Saloon
McDonalds	Giuseppes Cucina	Miller 76	Levis Outlet
Miller 76	Miller 76	Nike	Miller 76
Nike	Nike	Orchard Supply Hardware	Nike
Panchos Surf Shop	Norman Wright Duckworth	Oshkosh B Gosh	Orchard Supply Hardware
Ralph Lauren	Orchard Supply Hardware	Panchos Surf Shop	Oshkosh B Gosh
Rite Aid	Pacific Coast RV	Ralph Lauren	Ralph Lauren
Ross	Panchos Surf Shop	Ross	Rite Aid
Sky River RV	Ross	Sea Venture Resort	Rosas Ristorante Italiano
Sky River RV	Shell	Sky River RV	Ross
Splash Café	Sky River RV	Splash Café	Sky River RV
Spyglass Shell	Splash Café	Spyglass Shell	Splash Café
Vans	Spyglass Shell	Vans	Spyglass Shell
Ventana Grill	Ventana Grill	Ventana Grill	Ventana Grill
Wooly's Oyster Loft	Wooly's Oyster Loft	Wooly's Oyster Loft	Wooly's Oyster Loft

Fiscal Year Ended June 30			
2016	**2015**	**2014**	**2013**
Arco	Arco	Arco	7 Eleven
Brads Restaurant	Brads Restaurant	Brads Restaurant	Arco
California Fresh	California Fresh	California Fresh	Bass Outlet
Calvin Klein	Calvin Klein	Calvin Klein	Brads Restaurant
Cliffs at Shell Beach	Cliffs at Shell Beach	Cliffs at Shell Beach	Calvin Klein
Coach	Coach	Coach	Cliffs at Shell Beach
Cool Cat Café	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
Dolphin Bay Hotel & Lido Rest	Dolphin Bay Hotel & Lido Rest.	McLintocks	Dolphin Bay Hotel & Lido Rest.
McLintocks	McLintocks	Five Cities Chevron	Five Cities Chevron
Five Cities Chevron	Five Cities Chevron	Giuseppes Cucina	Giuseppes Cucina
Giuseppes Cucina	Giuseppes Cucina	Miller 76	McLintocks
Miller 76	Miller 76	Nike Retail	Miller 76
Nike Retail	Nike Retail	Orchard Supply Hardware #1	Nike Retail
Orchard Supply Hardware	Orchard Supply Hardware	Orchard Supply Hardware #2	Orchard Supply Hardware
Oshkosh B Gosh	Oshkosh B Gosh	Oshkosh B Gosh	Oshkosh B Gosh
Ralph Lauren	Ralph Lauren	Ralph Lauren	Panchos Surf Shop
Rite Aid	Rite Aid	Ross	Ralph Lauren
Ross	Ross	Shell	Ross
Shell	Shell	Sky River RV	Shell
Sky River RV	Sky River RV	Splash Café	Sky River RV
Splash Café	Splash Café	Spyglass Shell	Splash Café
Spyglass Shell	Spyglass Shell	Vans	Spyglass Shell
Ventana Grill	Ventana Grill	Ventana Grill	Ventana Grill

Fiscal Year Ended June 30	
2012	**2011**
7 Eleven	7 Eleven
Arco	Arco
Bass Outlet	Bass Outlet
Brads Restaurant	Brads Restaurant
Cliffs at Shell Beach	Cliffs at Shell Beach
Coach	Cracked Crab
Cracked Crab	CVS Pharmacy
CVS Pharmacy	Five Cities Chevron
Five Cities Chevron	Giuseppes Cucina
Giuseppes Cucina	McDonalds
McLintocks	McLintocks
Miller 76	Miller 76
Nike Retail	Nike Retail
Orchard Supply Hardware	Orchard Supply Hardware
Oshkosh B Gosh	Oshkosh B Gosh
Panchos Surf Shop	Pacific Coast RV
Pierside Restaurant	Panchos Surf Shop
Polo Ralph Lauren	Polo Ralph Lauren
Ross	Rite Aid
Scolaris	Ross
Shell	Scolaris
Sky River RV	Shell
Splash Café	Splash Café
Spyglass Shell	Spyglass Shell
Ventana Grill	Ventana Grill

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
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
2019-2020	93,955,230	10.00%	9,395,523

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	
2010-2011	$	5,286,868	$	375,674
		17		15
2011-2012	$	5,867,792	$	417,423
		17		15
2012-2013	$	6,165,294	$	411,261
		17		15
2013-2014	$	6,754,657	$	418,059
		17		12
2014-2015	$	7,260,482	$	558,564
		17		14
2015-2016	$	7,711,023	$	591,172
		17		13
2016-2017	$	7,742,190	$	683,153
		17		15
2017-2018	$	8,376,655	$	662,911
		18		14
2018-2019	$	8,756,469	$	662,357
		18		14
2019-2020		7,864,308		566,758
		19		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	
2010-2011	$	419,010	$	188,055
		4		15
2011-2012	$	434,233	$	211,749
		4		15
2012-2013	$	446,792	$	256,154
		4		15
2013-2014	$	570,224	$	245,297
		5		17
2014-2015	$	759,673	$	103,400
		7		14
2015-2016	$	511,432	$	386,320
		4		22
2016-2017	$	626,374	$	278,934
		4		25
2017-2018	$	797,455	$	202,901
		5		32
2018-2019	$	810,687	$	268,647
		5		53
2019-2020	$	671,690	$	269,855
		5		69

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			
2020	**2019**	**2018**	**2017**
Cliffs Shell Beach	Cliffs 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	Inn at the Pier	Island Hospitality	Island Hospitality
Island Hospitality	Island Hospitality	Kon Tiki Motel	Kon Tiki Motel
Pismo Coast Village	Oxford Suites	Oxford Suites	Oxford Suites
Pismo Lighthouse Suites	Pismo Coast Village	Pismo Coast Village	Pismo Coast Village
Pismo Shore Cliff	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Sandcastle Inn	Pismo Shore Cliff	Seacrest Motel	Seacrest Motel
Seacrest Oceanfront Hotel	Seacrest Oceanfront Hotel	Shorecliff Inn	Shorecliff Inn

Fiscal Year Ended June 30			
2016	**2015**	**2014**	**2013**
Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Dolphin Bay Hotel	Cottage Inn	Cottage Inn
Dolphin Bay Hotel	Island Hospitality	Dolphin Bay Hotel	Dolphin Bay Hotel
Island Hospitality	Kon Tiki Motel	Hilton Garden Inn	Hilton Garden Inn
Kon Tiki Motel	Oxford Suites	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	
2012	**2011**
Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn
Dolphin Bay Hotel	Dolphin Bay Hotel
Hilton Garden Inn	Kon Tiki Motel
Kon Tiki Motel	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*
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	-
2019-2020	13.64	3.97	47.88	-

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					
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
2019-2020	$ 2,163,575	$ 1,320,589	$ 59,370	$ 37,138	$ 121,051	$ 3,701,724
	4,441	699	44	40	48	5,272

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
2019-2020	$ 2,491,246	$ 429,295	$ 741,467	$ 772,205	$ 250,591	$ 4,684,804
	4,378	361	42	278	64	5,123

*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			
2020	**2019**	**2018**	**2017**
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
Oxford Suites Resort	Motel 6	Kon Tiki	Kon Tiki
Pismo Beach Mobile Park Inc	Oxford Suites Resort	Motel 6	Oxford Suites Resort
Pismo Coast Village Inc	Pismo Beach Mobile Park Inc	Oxford Suites Resort	Pismo Beach Mobile Park Inc
Pismo Dunes Resort Mtr #1	Pismo Coast Village Inc	Pismo Beach Mobile Park Inc	Pismo Coast Village Inc
Pismo Dunes Resort Mtr #2	Pismo Dunes Resort Mtr #1	Pismo Coast Village Inc	Pismo Dunes Travel
Pismo Lighthouse Suites	Pismo Dunes Resort Mtr #2	Pismo Lighthouse Suites	Pismo Lighthouse Suites
SCM Pismo Pier Partners, LLC.	Pismo Lighthouse Suites	Seacrest Resort	Seacrest Resort
Shorecliff Lodge	Seacrest Resort	Shorecliff Lodge	Shorecliff Lodge

Fiscal Years Ended June 30			
2016	**2015**	**2014**	**2013**
Cliffs Shell Beach	Cliffs Shell Beach	City of Pismo Beach	City of Pismo Beach
Dolphin Bay Hotel, Inc.	Dolphin Bay Hotel, Inc.	Cliffs Shell Beach	Cliffs Shell Beach
Motel 6 Inc.	Kon Tiki	Dolphin Bay Hotel, Inc.	Hilton Garden Inn
Oxford Suites Resort	Motel 6 Inc.	Hilton Garden Inn	Judkins Middle School-LMUSD
Pismo Coast Village, Inc.	Oxford Suites Resort	Motel 6 Inc.	Motel 6 Inc.
Pismo Lighthouse Suites	Pismo Coast Village, Inc.	Pismo Coast Village, Inc.	Oxford Suites Resort
Pismo Mobile Hm Pk	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Quality Inn	Pismo Mobile Hm Pk	Pismo Mobile Hm Pk	Pismo Mobile Hm Pk
Seacrest Resort	Seacrest Resort	Shorecliff Lodge	Seacrest Resort
Shorecliff Lodge	Shorecliff Lodge	Toucan I HOA	Shorecliff Lodge

Fiscal Years Ended June 30	
2012	**2011**
Cliffs Shell Beach	Cliffs of Shell Beach-Hotel
Hacienda Del Pismo	Motel 6 Inc.
Kon Tiki	Oxford Suites Resort
Motel 6 Inc.	Pismo Mobile Hm Pk
Oxford Suites Resort	Pismo Lighthouse Suites
Pismo Mobile Hm Pk	Rose Garden Inn
Pismo Lighthouse Suites	Seacrest Motel
Quality Inn - Pismo Beach	Shell Beach School-LMUSD
Seacrest Resort	Shorecliff Lodge
Shorecliff Lodge	Sunset Palisades HOA

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
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
2019-2020	10,947	-	172	-	4,085	263	4,977

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
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
20,444	4.19%	2,512	8,139	59,977

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

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	Lease Revenue Bonds	Unamortized Bond Premium	Total	Percentage of Actual Taxable Value of Property	Per Capita
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
2019-2020	-	10,947,536	172,301	11,119,837	0.31%	1,366.24

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, 2020

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	$ 42,083,642	6.218%	$ 2,616,761
San Luis Obispo County Pension Obligations	36,988,491	6.218%	2,299,944
Lucia Mar Unified School District Certificates of Participation	18,521,675	18.538%	3,433,548
TOTAL OVERLAPPING DEBT REPAID WITH PROPERTY TAXES			$ 8,350,254
OVERLAPPING TAX AND ASSESSMENT DEBT:			
San Luis Obispo County Flood Control and Water Conservation District, Zone No. 3	7,025,000	33.241%	2,335,180
San Luis Obispo Community College District	118,610,000	6.109%	7,245,885
San Luis Coastal Unified School District	158,135,000	3.566%	5,639,094
Lucia Mar Unified School District	86,066,576	18.538%	15,955,022
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$ 31,175,181
CITY DIRECT DEBT - GOVERNMENTAL ONLY:			
City of Pismo Beach General Fund Obligations	11,180,024	100.00%	$ 11,180,024
TOTAL DIRECT DEBT			**$ 11,180,024**
TOTAL OVERLAPPING DEBT			**$ 39,525,435**
TOTAL DIRECT AND OVERLAPPING DEBT			**$ 50,705,459**

Ratios to Adjusted Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	0.87%
Total Direct Debt ($11,180,024)	**0.31%**
Combined Total Debt	1.42%

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
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%
2019-2020	133,883,312	-	0%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed value	$	3,570,221,656
Conversion Percentage (25%)		25%
Adjusted Assessed Valuation		892,555,414
Debt Limit Percentage (15%)		15%
Debt Limit		133,883,312
Less debt applicable to limit: General obligation bonds		-
Total debt applicable to limit		-
Legal debt margin	$	133,883,312
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

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
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	-	-	-	-	-	-	-
2019-2020	-	-	-	-	-	-	-

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
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
2019-2020	5,020,653	-	3,414,907	1,605,746	537,623	71,636	2.64

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
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
2019-2020	5,020,653	-	3,414,907	1,605,746	13,087	1,559	109.64

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
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
2019-2020	5,020,653	-	3,414,907	1,605,746	35,049	6,857	38.32

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
2019-2020	5,020,653	-	3,414,907	1,605,746	54,448	23,382	20.63

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
2019-2020	5,020,653	-	3,414,907	1,605,746	235,000	169,171	3.97

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
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%
2019-2020	8,139	488,152,803	59,977	1.60%

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.

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

Fiscal Year Ended June 30, 2020				Fiscal Year Ended June 30, 2019			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	230	1	5.48%	The Cliff's of Shell Beach	220	1	5.12%
Keller-Williams	179	2	4.26%	Dolphin Bay Resort	161	2	3.74%
Dolphin Bay Resort	124	3	2.95%	Keller-Williams	147	3	3.42%
City of Pismo Beach	120	4	2.86%	City of Pismo Beach	125	4	2.91%
Martin Resorts	100	5	2.38%	Martin Resorts	97	5	2.26%
U.S. Postal Service	85	6	2.02%	U.S. Postal Service	81	6	1.88%
Sea Venture	74	7	1.76%	Sea Venture	80	7	1.86%
Pismo Coast Village	65	8	1.55%	Brad's Restaurant	75	8	1.74%
Seacrest	65	9	1.55%	Seacrest	68	9	1.58%
Brad's Restaurant	60	10	1.43%	Pismo Coast Village	65	10	1.51%
Total	1,102		26.24%	Total	1,119		26.02%

Fiscal Year Ended June 30, 2018				Fiscal Year Ended June 30, 2017			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	227	1	5.54%	The Cliff's of Shell Beach	220	1	5.50%
Dolphin Bay Resort	190	2	4.63%	Dolphin Bay Resort	169	2	4.23%
City of Pismo Beach	135	3	3.29%	City of Pismo Beach	129	3	3.23%
Keller-Williams	135	4	3.29%	Martin Resorts	125	4	3.13%
Martin Resorts	125	5	3.05%	Keller-Williams	106	5	2.65%
Sea Venture	85	6	2.07%	Sea Venture	81	6	2.03%
U.S. Postal Service	69	7	1.68%	Brad's Restaurant	67	7	1.68%
Seacrest	67	8	1.63%	Seacrest	63	8	1.58%
Brad's Restaurant	63	9	1.54%	Pismo Coast Village	62	9	1.55%
Pismo Coast Village	60	10	1.46%	U.S. Postal Service	61	10	1.53%
Total	1,156		28.20%	Total	1,083		27.08%

Fiscal Year Ended June 30, 2016				Fiscal Year Ended June 30, 2015			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	235	1	5.88%	Martin Resorts	260	1	6.50%
Dolphin Bay Resort	178	2	4.45%	The Cliff's of Shell Beach	243	2	6.08%
Martin Resorts	135	3	3.38%	Dolphin Bay Resort	191	3	4.78%
Keller-Williams	110	4	2.75%	Keller-Williams	106	4	2.65%
City of Pismo Beach	89	5	2.23%	City of Pismo Beach	89	5	2.23%
Sea Venture	85	6	2.13%	Sea Venture	85	6	2.13%
U.S. Postal Service	82	7	2.05%	Brad's Restaurant	79	7	1.98%
Brad's Restaurant	70	8	1.75%	U.S. Postal Service	75	8	1.88%
McClintock's	65	9	1.63%	McClintock's	71	9	1.78%
Pismo Coast Village	65	10	1.63%	Steamer's	62	10	1.55%
Total	1,114		27.85%	Total	1,261		31.53%

Fiscal Year Ended June 30, 2014				Fiscal Year Ended June 30, 2013			
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	4.40%	The Cliff's of Shell Beach	222	1	4.53%
Dolphin Bay Resort	197	2	3.94%	Dolphin Bay Resort	195	2	3.98%
U.S. Postal Service	105	3	2.10%	U.S. Postal Service	102	3	2.08%
Keller-Williams	98	4	1.96%	Keller-Williams	92	4	1.88%
Brad's Restaurant	85	5	1.70%	City of Pismo Beach	86	5	1.76%
City of Pismo Beach	85	6	1.70%	Brad's Restaurant	75	6	1.53%
Sea Venture	73	7	1.46%	Sea Venture	70	7	1.43%
McClintock's	66	8	1.32%	McClintock's	68	8	1.39%
Steamer's	53	9	1.06%	Steamer's	62	9	1.27%
Shore Cliff Lodge	50	10	1.00%	Shore Cliff Lodge	49	10	1.00%
Total	1,032		20.64%	Total	1,021		20.84%

Fiscal Year Ended June 30, 2012				Fiscal Year Ended June 30, 2011			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	213	1	4.44%	The Cliff's of Shell Beach	160	1	3.48%
Dolphin Bay Resort	180	2	3.75%	Dolphin Bay Resort	110	2	2.39%
Keller-Williams	90	3	1.88%	Keller-Williams	110	3	2.39%
City of Pismo Beach	85	4	1.77%	City of Pismo Beach	88	4	1.91%
U.S. Postal Service	82	5	1.71%	U.S. Postal Service	78	5	1.70%
McClintock's	70	6	1.46%	McClintock's	76	6	1.65%
Steamer's	68	7	1.42%	Brad's Restaurant	65	7	1.41%
Sea Venture	67	8	1.40%	Sea Venture	64	8	1.39%
Brad's Restaurant	60	9	1.25%	Steamer's	60	9	1.30%
Shore Cliff Lodge	49	10	1.02%	Shore Cliff Lodge	45	10	0.98%
Total	964		20.08%	Total	856		18.61%

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; Employment Development Department.

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	1
Public safety:										
Police	34.00	33.00	33.00	34.00	34.00	33.85	33.85	33.70	33.70	33.70
Parking	-	-	-	-	-	0.15	0.15	1.30	1.30	1.30
Community Development:										
Planning	4.60	4.60	4.60	4.60	4.60	4.60	4.60	4.55	4.55	4.55
Building	4.10	4.20	4.20	4.10	4.10	4.15	4.15	3.15	3.15	3.15
Recreation	1.20	1.20	1.20	1.20	1.20	1.20	1.20	1.15	1.15	1.15
RDA	0.10	-	-	-	-	-	-	-	-	-
Parking	1.00	1.00	1.00	1.10	1.10	1.05	1.05	0.15	0.15	0.15
Public Works/Engineering:										
Engineering	3.70	3.70	3.70	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Streets and Govt Bldgs	4.78	4.78	4.78	3.03	3.03	2.83	2.83	3.78	3.78	3.03
Park Maintenance/Fac.	7.52	7.52	7.52	7.32	7.32	7.17	7.17	7.27	7.27	8.02
Water:										
Treatment and distribution	6.00	5.00	5.00	5.00	5.00	6.70	6.70	5.65	5.65	5.65
Billing	0.67	0.67	0.67	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Wastewater:										
Collection and treatment	8.05	8.05	8.05	8.10	8.10	7.80	7.80	7.80	7.80	7.80
Billing	0.33	0.33	0.33	0.50	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	1.00	1.00	1.00	1.00	1.00
Totals	96.00	94.00	94.00	94.00	94.00	95.00	95.00	94.00	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:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Physical arrest	995	902	873	996	1,116	1,072	1,194	1,235	1,220	1,233
Traffic violations	2,206	2,355	1,769	1,929	1,737	938	996	1,887	2,069	1,609
Fire:										
Emergency responses	1,081	1,022	1,084	1,175	1,265	1,528	1,349	1,355	1,340	1,383
Fires extinguished	19	22	25	16	21	26	22	23	21	24
Building:										
Building permits issued	177	213	246	209	290	205	220	185	185	152
Other permits issued	471	455	436	478	956	551	640	533	472	422
Public works:										
Miles streets resurfaced	4.10	6.03	6.08	-	-	-	2.50	0.50	0.25	0.75
Parks and Recreation:										
Number of facility rentals	187	255	274	216	240	258	1,437	1,513	1,158	730
Number of class admissions	3,000	1,500	2,000	2,000	3,000	3,500	3,500	3,500	2,956	1,750
Water:										
Number new connections	59	20	21	5	20	221	67	12	105	120
Daily average water production in MGD	1.71	1.78	1.84	1.91	1.64	1.47	1.43	1.59	1.46	1.50
Daily average water consumption in MGD	1.48	1.59	1.63	1.72	1.52	1.27	1.25	1.48	1.34	1.70
Wastewater:										
Number new connections	4	6	7	33	53	109	62	23	6	120
Daily average treatment in millions gallons(MGD)	1.08	1.14	1.07	1.07	1.01	0.95	0.99	0.98	0.98	0.99

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
Police Traffic Citation information for all years by Police staff in FY 2020.

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

Function/Program:	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	3	3	3	3	3	3	3	3	3	3
Public works:										
Miles of streets	38	46	46	46	46	46	46	46	46	46
Streetlights	757	828	828	828	828	842	842	844	844	909
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	55	55	56	56	56	56	56	56	56
Number connections	4,569	4,584	4,596	4,614	4,718	4,787	4,521	4,575	4,680	4,680
Maximum plant capacity in millions gallons	2.16	2.16	2.16	2.16	2.16	2.16	2.40	2.40	2.40	2.40
Wastewater:										
Miles of sewers	40	40	40	40	40	40	40	40	40	40
Number connections	4,351	4,364	4,377	4,394	4,447	4,562	4,536	4,559	4,565	4,685
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 2019-20

$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)	2020
5/8"	$27.28
3/4"	$27.28
1"	$41.64
1 ½"	$77.07
2"	$120.40
3"	$242.71
4"	$372.30
6"	$870.20

BI-MONTHLY RESIDENTIAL
FIXED CONSUMPTION CHARGES[1]

Customer Classification	2020
Single Family	$67.34
Multifamily	$42.51
Mobile Home	$29.46

[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 2019-20

$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	2020
Commercial	$8.25
Dual Residential/Restaurant	$11.63
Dual Residential/Commercial	$7.96
Grocery	$14.76
Hotel	$6.84
Hotel w/ Rest.	$11.09
School w/Cafeteria	$6.79
School	$4.37
Shopping Center	$5.91
Shopping Center w/Restaurant	$14.34
Trailer/RV	$3.70
Service Station	$6.61
Restaurant/Bakery	$14.86
Municipal	$5.74

[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 2019-20

$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 2019-20

	Customer Name	Sewer Revenues	% of Total
1	Pismo Beach Mobile Home Park	$ 49,134.85	1.02%
2	Cliffs Shell Beach	$ 66,961.46	1.39%
3	Pismo Coast Village	$ 43,919.36	0.91%
4	Pismo Lighthouse Suites	$ 49,237.81	1.02%
5	Pismo Dunes Resort - Meter #1	$ 26,661.73	0.55%
6	Oxford Suites Resort	$ 39,255.75	0.82%
7	Pismo Dunes Resort - Meter #2	$ 26,277.46	0.55%
8	Dolphin Bay Hotel, Inc.	$ 43,421.65	0.90%
9	SCM Pismo Pier Partners	$ 49,248.08	1.02%
10	Shorecliff Lodge	$ 36,467.11	0.76%
	Total	$ 430,585.26	8.94%
	Other Customers	$ 4,385,872.34	91.06%
	Total Revenues	$ 4,816,457.60	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 2019-20**
Charges for Services	$4,816,458
Miscellaneous Revenue	204,195
Interest and Investment Revenues	361,423
TOTAL REVENUES	$5,382,076
OPERATING EXPENSES[3]	
Salaries and Benefits	$ 701,210
Purchased Power	171,694
Customer Accounting	88,429
Services and Supplies	1,382,204
TOTAL OPERATING EXPENSES	$2,343,537
NET REVENUES	$3,038,539
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
2020 State Loan - Five Cities Lift Station	$ 77,830
2012 Wastewater Bonds	$ 404,171
TOTAL DEBT SERVICE PAYMENTS	$1,147,814
DEBT SERVICE COVERAGE RATIO	2.65
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$1,890,725**

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

Schedule 19 – Page 5
City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2019-20

$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, 2020. 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 2019-20
$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, 2020. 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 2019-20
$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, 2020. 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 2019-20

Table 1: Ten Largest Customers of Water Enterprise

	Customer Name	Consumption	Water Revenue	% of Total
1	Pismo Beach Mobile Home Park	10,976	$ 52,759.07	1.30%
2	Cliffs Shell Beach	9,738	$ 42,976.66	1.06%
3	Pismo Coast Village	9,703	$ 46,937.08	1.16%
4	Pismo Lighthouse Suites	6,797	$ 32,163.37	0.79%
5	Pismo Dunes Resort - Meter #1	6,696	$ 30,735.30	0.76%
6	Oxford Suites Resort	6,647	$ 23,809.50	0.59%
7	Pismo Dunes Resort - Meter #2	6,590	$ 30,271.19	0.75%
8	Dolphin Bay Hotel, Inc.	6,001	$ 27,219.73	0.67%
9	SCM Pismo Pier Partners	5,430	$ 25,596.16	0.63%
10	Shorecliff Lodge	5,269	$ 23,689.48	0.58%
	Total	73,847	$ 336,157.54	8.29%
	Other Customers		$ 3,718,653.32	91.71%
	Total Revenues		$ 4,054,810.86	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	4,441
Apartments	363
Commercial/Industrial	318
Other	150
Total All Customers	5,272
Water Sales Revenue	$4,054,811

Schedule 22 – Page 2
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2019-20

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

Water Service Rates		
Minimum Monthly Service Charge: $13.64		
Additional Charge per 100 Cubic Feet of Water Used: $3.97 0-10; $4.53 11-16; $5.19 17-32; $6.96 Over 32		
Water Set-up Fee per Account:	$60.00	
48 Hour Door Hanger Fee:	$37.00	
Re-connection Fees:		During Business Hours: $90.00
		After Hours: $209.00

Table 4: Additional information:

Additional Information	
Number for actual water deliveries :	1,732 Acre Feet
Impact Fees/Utility Tax:	
Type: Water Tax	Revenue Received: $1,398,622
Type: Impact Fees	Revenue Received: $453,759

Schedule 22 – Page 3
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2019-20

CITY OF PISMO BEACH

	Audited
REVENUES	**FY 19-20**
Water Sales	$4,054,811
Interest	317,741
Assessments	1,398,622
Other Revenue	674,913
TOTAL REVENUES	$6,446,087
OPERATING EXPENSES	
Administration and General	$ 933,150
Lopez Contract Payments	1,394,148
Operations & Maintenance	1,612,590
Utilities	116,691
TOTAL OPERATING EXPENSES	$4,056,579
NET REVENUES	$2,389,508
State Water Payments	$1,783,989
TOTAL CONTRACT PAYMENTS	$1,783,989
COVERAGE RATIO	1.34
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$ 605,519**

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, 2020, 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 15, 2020.

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

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 15, 2020