2021

ACFR

FOR FISCAL YEAR ENDED JUNE 30, 2021



CITY OF PISMO BEACH, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2021

Prepared By:

Administrative Services Department

Introductory Section

City of Pismo Beach, California
Annual Comprehensive Financial Report
Year Ended June 30, 2021

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December 17, 2021

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 Annual Comprehensive Financial Report (ACFR) of the City of Pismo Beach, California for the fiscal year ending on June 30, 2021. 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, 2021 and marks the twentieth year the City has prepared an ACFR.

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, 2021 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, 2021 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 8,108 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 14, 2021 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 that 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 and other online notifications such as Facebook, Next Door, Notify Me; online survey/Pismo Voice platform, and feedback through the City's website. The resulting City goals are long-term goals that typically cannot be accomplished in one or two years. As such, City staff develop work plans to implement various stages of those goals and those items are incorporated into the budget.

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

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

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

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

Economic Condition and Outlook

U.S. Economy

The U.S. economic outlook is improving for the next two budget years according to key economic indicators. Looking back at calendar year 2020 and the first half of 2021, due to the COVID-19 global pandemic, calendar year 2020 included sharp declines of (31.4)% in the second quarter compared to the preceding quarter, a rebound of 33.8% in the third quarter compared to the second quarter, and finally recovery of 4.5% in the fourth quarter compared to the preceding quarter of the nation's real Gross Domestic Product (GDP). GDP 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. Overall, economic activity and employment have continued to improve. The sectors most negatively impacted by the pandemic have improved, but not fully recovered. In comparison to the Great Recession between December 2007 to June 2009, the GDP took three and a half years to recover a reduction of 3.8%.

Looking on to the rest of 2021 and calendar years 2022 and 2023, the Federal Open Market Committee (FOMC) released its June 16, 2021 economic projections, which indicate that, barring other economic shocks to the system, the U.S. economy is estimated to grow at a rate of 7.0% in 2021, 3.3% in 2022, and 2.4% in 2023. According to the FOMC, GDP growth between 2.0% to 3.0% per year is the ideal range. This assumption includes continued progress on vaccines and may change based on the path of the pandemic.

The Committee also sees improvements in the national unemployment rate, currently 4.6% in July 2021, and slightly decreasing to 3.8% and 3.5% in 2022 and 2023, 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 (PCE) inflation will be 3.4% in 2021, 2.1% in 2022, and 2.2% in 2023. PCE inflation is the main measure of inflation used by the FOMC to capture the prices that people pay for goods and services, including health care costs. The FOMC sets monetary policy by reviewing the rate of inflation, seeking to achieve inflation at the rate of 2.0% over the long run. Based on the June 16, 2021 FOMC economic projections, the Committee is projected to raise the federal funds rate to 0.125% in 2021, potentially increase this rate in 2022, and more likely raise the rate another 0.5% in 2023.

Included in these assumptions is the trillions of dollars of federal stimulus funds to help stimulate the economy and mitigate the negative economic impacts of the pandemic. These efforts should help the economy to expand and continue to grow. **In summary, the U.S. economic outlook for FY 2022 and FY 2023 is positive and expanding, but could change based on the pace of vaccinations and the path of the pandemic.**

State of California Economy

According to the California Department of Finance's economic projections from April 2021, California consumer price index for urban consumers (CPI-U) is expected to grow by 2.3% in FY 2022 compared to FY 2021 and grow by 2.5% in FY 2023 compared to FY 2022. This is compared to the projected FY 2021 growth from the previous year of 2.0%. The state's fiscal health is currently positive and the future-year outlook continues to demonstrate economic growth. Overall, **employment is projected to grow** by 1.8% in FY 2022 and 1.0% in FY 2023 reflecting a projected unemployment rate of 5.8% and 4.8%, respectively for FY 2022 and FY 2023, higher than the projected national average. **Personal income is expected to grow** by 0.3% in 2022 compared to 2021 and 4.6% in 2023 compared to 2022. This is on top of a projected 4.0% increase in 2021 compared to 2020 personal income.

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 51% TOT revenues, which is an 11% tax on gross rent for stays of 30 consecutive days or less at various lodging properties. In addition, part of the City's sales & use tax revenues come from visitors shopping, dining, buying fuel at service stations, and buying general consumer goods in Pismo Beach.

The California travel and tourism industry continues to show solid growth. According to Tourism Economics' California Visits and Spending Forecast Update from July 2021 **total visitors to California are expected to grow by about 25% in 2022 compared to 2021 and 7% in 2023 compared to 2022**. Estimated total expenditures in California from these visitors is expected to increase by 22% in 2022 and 7% in 2023 for domestic travelers. These large growth rates are expected to exceed 2019 travel levels and spending during 2021. **Visitors to Pismo Beach**

could follow this path, but it is also possible that more travel will occur in larger California cities as COVID-19 cases decrease.

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. After the initial impact of the stay-at-home orders in March 2020 to help mitigate the negative impact of the COVID-19 global pandemic, Pismo Beach was able to rebound rather quickly due to new visitors looking for a safe place to travel and enjoy the plethora of outdoor activities including the sandy beach and year-round mild temperatures, the Pismo Preserve, and the new Pier Plaza. In fact, Pismo Beach continues to lead the way in San Luis Obispo County for tourism and hospitality. According to PKF Consulting, RevPAR (or hotel revenue per available room) in Pismo Beach decreased by 9.0% in FY 2020 compared to FY 2019. This decrease reflects the stay-at-home orders and reduced travel and tourism starting in March 2020. RevPAR rebounded by 21.0% during FY 2021 compared to FY 2020, largely due to average daily room rates increasing by 18.1%, to $219, offset by occupancy rates decreasing 0.7% in FY 2021 compared to FY 2020. Looking forward to FY 2022 and FY 2023, staff anticipates continued growth, but at a much slower pace, about 3.5% in FY 2022 and 3.0% in FY 2023 as children go back to school in person and the nation continues to see COVID-19 cases decline.

City's Response to Economic Issues

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

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

Policy Issues and City's Response

COVID-19 Global Pandemic

During the COVID-19 global pandemic, the City was and continues to be proactive in its response while still following public health orders, including reaching out to listen and respond to the business leaders in the community, providing and facilitating outdoor public spaces to enhance social distancing, implementing a mask ordinance for City businesses to ensure public safety, providing hand sanitizer and face coverings to visitors, directing residents to County and State COVID-19-related assistance, and reducing the City's budget to ensure financial stability. As visitors came back to the City in June 2020, the Council quickly pivoted to addressing outdoor dining, related trash concerns, and continued assistance for those impacted by COVID-19 financially. The City continues to thrive as visitors enjoy the City's sandy beaches, lodging properties, restaurants, the Pismo Preserve, and other COVID-19-safe activities.

Due to the COVID-19 global pandemic, the City is experiencing challenges with hiring the best people to take its services to the next level. However, with new focus on this effort and available financial resources, staff is determined to hire only the best for our residents.

City Council's Fiscal Policies and Policy Decisions – Enable Strong Financial Status, Employee Relations, Community Partnerships

The Council's fiscal policies and policy decisions have allowed the City's financial status to exceed the healthy financial position forecasted during the last two-year budget cycle. In addition to the City's strong financial status, our employee culture is positive and collaborative, and employee relations are excellent. We also appreciate our beneficial working relationships with the private sector and our community partners. Staff continues to work closely and hold meetings with the Pismo Beach Chamber of Commerce and the South County Chamber of Commerce to address outstanding issues such as outdoor dining, homeless issues, COVID-19-related impacts, and other current topics.

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:

- City's Investment Policy, adopted most recently in January 2021
- Debt Management Policy, a new policy for the City adopted in March 2017
- 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 2021.

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 2021 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. During FY 2021, various service fees were updated or established to help offset the City's costs.

Infrastructure: Contribute from the General Fund annually for the improvement of infrastructure. The City contributed to various infrastructure improvements in FY 2021, including: Shell Beach Streetscape project, Pier Plaza / Pier Parking lot project, Citywide Security Camera System, and Shell Beach sports courts.

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 (including a new Mobile Command Center), 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 2021, these fees were updated to reflect the rate changes on January 1, 2021. The City is working with other agencies on a Central Coast Blue water reclamation project that is supported by these fees.

Operational Efficiencies: Provide City services in the most cost-effective manner, including utilizing consultants and temporary help for special projects or peak workload periods. The City has hired consultants to work on the General Plan Local Coastal Plan update and the Central Coast Blue project, both special projects, to allow City staff to continue to respond promptly to service requests from the public and focus on managing the various City projects.

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 2021 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.

Projects Accomplished in FY 2021

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 2021. The following list highlights some of the most significant accomplishments in FY 2021.

Infrastructure Maintenance and Beautification

- ✓ Completion of the Pier Plaza, including new restrooms, access improvements, visitor amenities, public art, and parking lot improvements
- ✓ Completed the Shell Beach Streetscape project – multi-use pathway, ADA curb ramps and sidewalks, landscaping, public art, waterline, and storm drain infrastructure improvements
- ✓ Spyglass Park parking lot rehabilitation and replaced Spyglass Park play equipment
- ✓ Added play equipment to Dinosaur Caves Park
- ✓ Re-roof Police Department and Fire Department
- ✓ Administered Public Art Program throughout the city; included Shell Beach Streetscape Mosaics, Stop Sign Poles, Utility Boxes, Pismo Plaza Mosaic Murals, etc
- ✓ Completed bluff inspections
- ✓ Completion of the resurfacing of Palisades basketball court, tennis court, and conversion and resurfacing of four pickleball courts
- ✓ Construction to replace the Bello Bridge
- ✓ Completed the preliminary design for Old City Hall/future Public Safety Facility
- ✓ Continued work on the Wastewater Treatment Plant Improvement project
- ✓ Replaced the Five Cities Lift Station and Vista Del Mar Lift Station upgrades
- ✓ Completed the Water Master Plan Update

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 6th Cycle Housing Element, including the Residential Very High Density Overlay District and certification of the Overlay by the California Coastal Commission
- ✓ Approval of a 26-unit senior affordable housing project and $1 million dollars in financial support on Shell Beach Road
- ✓ Accessory Dwelling Unit Ordinance update approved and certified by the California Coastal Commission
- ✓ Completed Lower-Cost Visitor Serving Accommodations Study
- ✓ Completed Sea Level Rise Adaptation Plan
- ✓ Prepared and processed adoption of the 2019 California Construction Codes
- ✓ Completed the Systemic Safety Analysis Report and Speed Survey Update
- ✓ Completed the Pavement Management System Update
- ✓ Maintained the City's excellent rating with Insurance Services Officers (ISO) through the Building Code Effectiveness Grading Schedule Program
- ✓ Implemented a comprehensive City-wide Security Camera Program
- ✓ Implemented Police Assembly Bill 748 compliance software
- ✓ Replaced Rescue Watercraft and the Junior Lifeguard Program Trailer
- ✓ Implemented the Lead Lifeguard Retention Program
- ✓ Obtained a grant and purchased four Fire communication kits
- ✓ Implemented Vegetation Management Projects for: Avila Fire rehab, Cave/Bluffs, Chumash Park, Coral Court, Frady/CALTRANS, Heights Escape Route thinning, Pismo Preserve, and Price House

Preservation of essential services and fiscal health

- ✓ Managed the impact of COVID-19 global pandemic with quick responses by the City Council to adjust the budget and provide funding for changing needs (more trash maintenance in the Pier Plaza area) 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
- ✓ Maintained a $2.0 million Budget Stabilization set-aside of General Fund dollars

Economic Development

- ✓ Continued the process of updating the General Plan/Local Coastal Plan that will provide the roadmap for future development for the City
- ✓ Provided high quality recreation programs throughout the community that are fun, educational, accessible, and safe for people of all ages and abilities
- ✓ Adapted FY 2021 recreational special events to keep the community involved even with COVID-19 restrictions. Events included Virtual Pumpkin Decorating Contest, Holiday Harmony Jingle Express Drive-Thru, Virtual Father-Daughter Dance Competition, Egg-citing Egg Decorating Contest and Community Art in the Park
- ✓ Recreation continued programming during COVID-19 which included adult outdoor fitness and youth camps such as art, volleyball, surf, ocean adventure, ocean explorer, baseball, tennis, pickleball, and ceramics
- ✓ Community Awareness and Communication

FY 2022 Major Initiatives

The FY 2022 & FY 2023 City Goals build upon the success of the FY 2020 & FY 2021 City Goals from the last two-year budget. Similar to the last two-year budget, the Council continues to prioritize water supply, conservation, and Central Coast Blue. This long-term goal and Council's commitment to achieving a more sustainable water supply, including conservation and focusing on implementing Central Coast Blue, continues to be a top priority. This goal continues to be supported from water and wastewater service charges deposited into the Water and Wastewater Enterprise Funds, respectively.

Another continued goal is downtown parking, where the next two budget years will also address traffic, circulation, as well as parking. As the Council has explored downtown parking over the past two years, the City is expanding its reach for parking throughout the City and will address traffic and circulation issues. Parking-related goals are supported by parking kiosk and meter revenues that are deposited in the Parking Enterprise Fund. Circulation and traffic goals are supported by the Half-Cent Sales Tax Fund and the General Fund. Bike and pedestrian plan is supported by the Local Transportation Fund.

The last two-year budget included a goal for Bello Street and Old City Hall. This year, the goal is Public Safety, which encompasses a better use for Old City Hall, including construction of a new Public Safety Facility, preserving the façade of the Old City Hall building, and moving the public tennis courts to Judkins Middle School for multiple uses. Thirdly, the last two-year budget included Downtown improvements and Pier Plaza. That goal is complete with the construction of a new Pier Plaza. The largest component of this goal, the Public Safety Facility, is supported by bond proceeds, to be paid over time by the General Fund. Most other costs in this goal are supported by the General Fund.

Finally, the last two-year budget included Local Coastal Plan/General Plan/Zoning as a City Goal. About two-thirds of the work for this goal is complete, with projections to complete work related to the Local Coastal Plan/General Plan/Zoning during FY 2022. Once the work is complete, working with the City Council and Coastal Commission will determine the next steps in this important process. This item continues to be supported by the General Fund and various grant funds.

New for FY 2022 & FY 2023 is the Community Character and Quality of Life for Residents City Goal. This goal includes a renewed focus on the City's residents, investing in neighborhoods, including road, sidewalk, and park improvements and providing exceptional services to the public. The majority of these priorities are supported by the General Fund, with some projects being supported with Park Development funds.

The Adopted Budget funds various projects for each of the four City Goals. These projects take into account the factors facing the City, build on our community partnerships, are supported by the City's financial position, and deliver NEXT LEVEL SERVICES to the community to improve quality of life.

The future continues to be very bright for the City of Pismo Beach, its residents, and its visitors. PROVIDING NEXT LEVEL SERVICES calls for making major investments in areas that will positively impact our community for many years to come.

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 annual comprehensive financial report (ACFR) for the fiscal year ending on June 30, 2020. In order to receive this award, the City published an easily readable and efficiently organized ACFR. 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 ACFR 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	Mary Ann Reiss
Council Member	Sheila Blake
Council Member	Marcia Guthrie
Council Member	Scott Newton

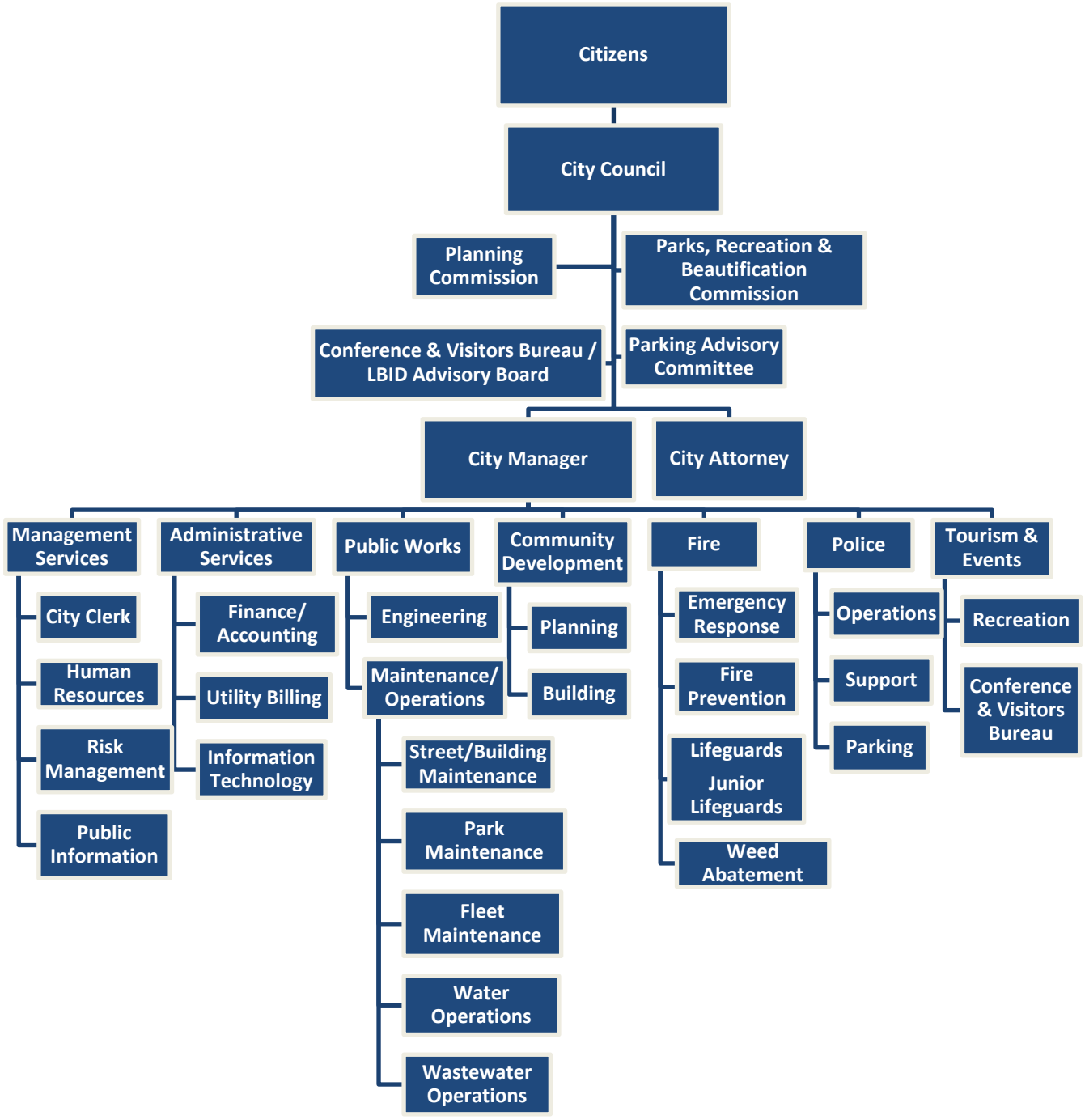
Executive Management Team

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

Year End Audit / Financial Statement Team

Administrative Services Director	Nadia Feeser
Finance Manager	Vanessa Garris
Senior Management Analyst	Marc Arroyo
Accounting Technician	Chére Valencia
Accounting Clerk	Brenda Alvarado
Accounting Clerk	Julia Goodman
Accounting Clerk	Dawn Meisner
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, 2020

Christopher P. Morrill

Executive Director/CEO

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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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Statements No. 84, *Fiduciary Activities* and No. 98, *The Annual Comprehensive Financial Report*. 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 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 17, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to 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 17, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the City of Pismo Beach's Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities during the fiscal year that ended on June 30, 2021. 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 $18.16 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 $163.88 million at the end of the 2021 fiscal year. Of that amount, $41.19 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 decreased by about $4.33 million compared to the 2020 fiscal year. The decrease in revenues was primarily in: capital grants and contributions of $11.69 million, which reflects including the Chapman Estate property as part of the City's fixed assets in the 2020 fiscal year; offset by the increase in Transient Occupancy Taxes (TOT) of $4.81 million and the increase in Charges for Services of $4.28 million in fiscal year 2021.

- Transient Occupancy Tax Revenues increased by $4.81 million, or 51.17%, in the 2021 fiscal year to $14.21 million. The increase was due to a robust tourism industry with visitors flocking to the Central Coast as COVID-19 restrictions eased, along with the Transient Occupancy Tax rate increasing an additional 1% effective January 2021.

- The City's total expense of all programs in the 2021 fiscal year decreased by about $2.21 million compared to the 2020 fiscal year, primarily due to large capital projects being completed.

- The General Fund reported a fund balance of $30.53 million at the end of the 2021 fiscal year; a 42.37 percent increase from the end of the 2020 fiscal year. This is a combination of increased revenues and reduced capital project expenditures. The General Fund unassigned balance at the end of fiscal year 2021 was $17.11 million.

- The City also ended the 2021 fiscal year with $21.45 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 2021 fiscal year with about $6.75 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 $18.16 million between fiscal years 2020 and 2021.

Table A-1

City of Pismo Beach's Net Position

(in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2020	2021	2020	2021	2020	2020-2021
Current and other assets	$45.29	$36.14	$24.49	$20.89	$69.78	$57.03	22.36%
Capital assets	83.25	79.86	49.90	50.36	133.15	130.22	2.25%
Other noncurrent assets	1.71	1.53	-	-	1.71	1.53	11.76%
Total assets	**$130.25**	**$117.53**	**$74.39**	**$71.25**	**$204.64**	**$188.78**	**8.40%**
Deferred Outflows	4.05	4.42	0.83	0.87	4.88	5.29	-7.75%
Long-term debt outstanding	26.96	26.71	10.09	10.76	37.05	37.47	-1.12%
Other liabilities	4.77	6.91	1.77	1.81	6.54	8.72	-25.00%
Total liabilities	**$31.73**	**33.62**	**$11.86**	**12.57**	**$43.59**	**$46.19**	**-5.63%**
Deferred Inflows	1.79	1.82	0.28	0.34	2.07	2.16	-4.17%
Net position							
Investment in capital assets	72.43	68.74	41.63	41.21	114.06	109.95	3.74%
Restricted	6.34	5.37	2.29	2.29	8.63	7.66	12.66%
Unrestricted	22.03	12.40	19.16	15.71	41.19	28.11	46.53%
Total net position	**100.80**	**$86.51**	**$63.08**	**$59.21**	**$163.88**	**$145.72**	**12.46%**

Net position of the City's governmental and business-type activities increased 12.46 percent to $163.88 million. About 69.6 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 30.4 percent is essentially represented by cash, investments, and receivables. About 85.0 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 2021 total revenues of about $54.41 million were about $4.33 million lower than revenues in fiscal year 2020, a 7.37 percent decrease. (See Table A-2.) About 53.2 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.

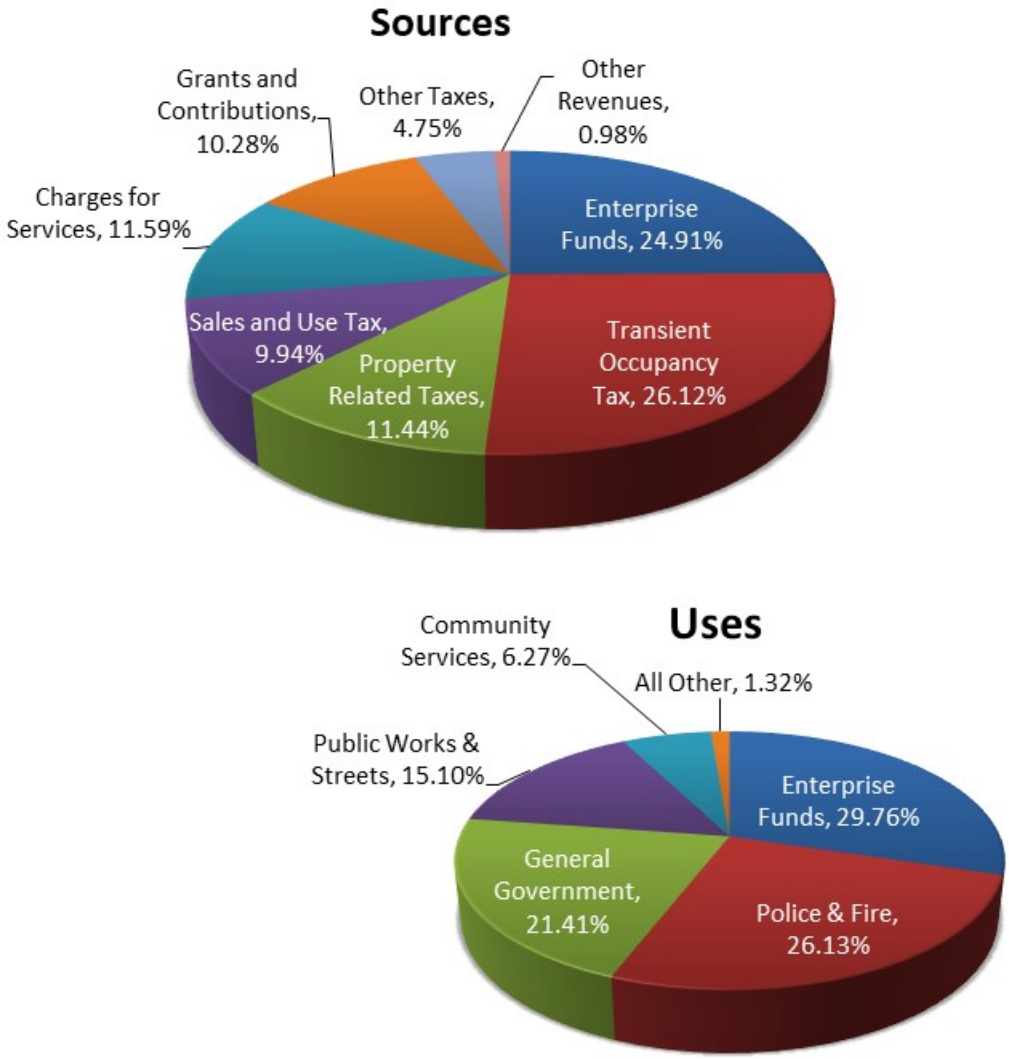
Expenses: The total cost of all programs and services in fiscal year 2021 was about $36.24 million and included a wide range of services such as police and fire protection, streets, public works, general administration, community services, water, wastewater, parking, pier, and the transit operations.

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
	2021	2020	2021	2020	2021	2020	2020-2021
Revenues							
Program revenues							
Charges for services	$6.31	$4.86	$13.55	$10.72	$19.86	$15.58	27.47%
Operating grants and contributions	2.00	2.63	-	-	2.00	2.63	-23.95%
Capital grants and contributions	3.59	15.28	-	-	3.59	15.28	-76.51%
General revenues							
Transient occupancy taxes	14.21	9.40	-	-	14.21	9.40	51.17%
Property, sales and other taxes	12.09	11.51	1.43	1.40	13.52	12.91	4.73%
Other	1.31	1.14	(0.08)	1.80	1.23	2.94	-58.16%
Total revenues	**$39.51**	**$44.82**	**$14.90**	**$13.92**	**$54.41**	**$58.74**	**-7.37%**
Expenses							
General government	7.76	8.84	-	-	7.76	8.84	-12.22%
Public safety	9.47	10.23	-	-	9.47	10.23	-7.43%
Streets	1.05	1.04	-	-	1.05	1.04	0.96%
Public works	4.43	4.98	-	-	4.43	4.98	-11.04%
Community services	2.27	2.20	-	-	2.27	2.20	3.18%
Water	-	-	5.55	6.18	5.55	6.18	-10.19%
Wastewater	-	-	4.28	3.67	4.28	3.67	16.62%
Other	0.48	0.49	0.95	0.82	1.43	1.31	9.16%
Total expenses	**$25.46**	**$27.78**	**$10.78**	**$10.67**	**$36.24**	**$38.45**	**-5.75%**
Excess (deficiency) before transfers/other	14.05	17.04	4.12	3.25	18.17	20.29	-10.45%
Transfers	0.23	(0.13)	(0.23)	0.13	-	-	0.00%
Prior year restatement		-		-	-	-	100.00%
Increase (decrease) in net position	**14.28**	**$16.91**	**$3.89**	**$3.38**	**$18.17**	**$20.29**	**-10.45%**
Net position, beginning of year	**$86.51**	**$69.60**	**$59.21**	**$55.83**	**$145.72**	**$125.43**	
Net position, end of year	**$100.79**	**$86.51**	**$63.10**	**$59.21**	**$163.89**	**$145.72**	**12.47%**

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 2021 fiscal year decreased by about $5.31 million compared to the 2020 fiscal year. The primary decrease was from capital grants and contributions of $11.69 million. Operating grants and contributions decreased by $0.63 million. Charges for services increased by $1.45 million. Property, sales, and other taxes increased by $0.58 million from fiscal year 2020. Other revenues increased by $0.17 million. These amounts were offset by the transient occupancy taxes increase of $4.81 million from the previous year.

The City's primary source of revenue comes from some kind of tax. About 66.6 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 36.0 percent of all governmental activities revenues come from transient occupancy tax revenues (the local hotel tax). Local hotel tax revenues came in higher than fiscal year 2020 by 51.2 percent or $11.69 million. Sales tax revenues, including the Half-Cent Transactions Sales and Use Tax revenues, came in 19.2 percent higher than fiscal year 2020. Sales and use tax revenues excluding the Half-Cent Sales Tax revenues, came in $637,705 higher than fiscal year 2020. Half-Cent Sales Tax revenues came in 15.26 percent higher by $231,298 compared to fiscal year 2020. Both transient occupancy tax and sales and use tax revenues increased in 2021 compared to 2020 largely due to COVID-19 restrictions being eased with shelter in place orders and travel restrictions lifted.

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 37.2 percent of the City's total fiscal year 2021 governmental operating expenses. Public works costs including maintenance of buildings, parks, and other City facilities account for about 17.4 percent of the City's total fiscal year 2021 governmental operating expenses. Another 8.9 percent of the City's fiscal year 2021 governmental activities operating expenses were incurred to provide community services in Pismo Beach. The remaining 36.5 percent was spent on streets, general administration, and other expenses.

When all operations were concluded, the governmental activities function generated a $14.28 million increase in net position for fiscal year 2021 compared to a $16.91 million increase in fiscal year 2020.

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
	2021	2020	2020-2021
General Government	$7.76	$8.84	-12.22%
Public Safety	9.47	10.23	-7.43%
Community Services	2.27	2.20	3.18%
Streets	1.05	1.04	0.96%
Public Works	4.43	4.98	-11.04%
All Other	0.48	0.49	-2.04%
Total	**$25.46**	**$27.78**	**-8.35%**

The cost of *all programs* this year was $25.46 million, compared to $27.78 million in fiscal year 2020.

While users and contributors funded about $11.90 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 $13.56 million. Major sources of program revenues were:

- Other governments and organizations that subsidized certain programs with grants and contributions (about $5.59 million), or
- Those who directly benefited from or used the programs amounted to $6.31 million.

The City paid for the $13.56 million "public benefit" portion out of the $27.61 million in general revenues such as property taxes, transient occupancy taxes, sales taxes, and with other tax revenues and investment earnings.

Overall, fiscal year 2021 total cost of services is showing a decrease of 8.35 percent compared to fiscal year 2020. Expenses increased in Community Services and Streets. Expenses decreased, largely due to completion of capital projects in fiscal year 2020, in the categories for: General Government, Public Safety, Public Works, and All Other.

Business-Type Activities

The City's business-type activities (primarily water, wastewater, parking, and pier) were responsible for about $3.87 million increase in net position for fiscal year ending 2021. Revenues in total increased in the fiscal year 2021 by $0.98 million. Revenues for basic water services charges increased by 22.04 percent or $893,689 in fiscal year 2021. Revenues for basic sewer services charges increased by 7.60 percent or $374,730 in fiscal year 2021. 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 increased by 178.39 percent or $1,676,032 in fiscal year 2021, largely due to the increase in visitors as COVID-19 restrictions eased over the prior fiscal year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a combined fund balance of $37.27 million, about $11.12 million higher than the last fiscal year. Revenues increased by $7.22 million, most of which were in Transient Occupancy Taxes of $4,814,056, subventions and grants category by $1,614,474, sales tax by $871,041, special assessments by $826,252, charges for services by $339,892, licenses and permits by $297,600, and property taxes by $285,207. Revenues decreased in two main categories of investment earnings by $840,576 and the miscellaneous category by $1,071,300. Expenditures decreased by $10.19 million, or 27.2 percent from the previous year, most of which were in Capital Outlay of $8.85 million, General Government of $1.04 million, Public Works of $475,742, offset by decreases in the other areas.

The City's General Fund operations generated about $12.40 million more in revenues than was spent on governmental activities. From this excess, the City transferred a total of $3.46 million out of the General Fund and into other funds. From the $3.46 million in transfers, $434,854 was transferred to the Public Financing Agency Fund (PFA) for debt service, about $2.00 million was transferred out to capital projects, $466,775 was transferred to the Motor Vehicle Replacement Internal Service Fund and Information Technology Internal Service Fund, $90,432 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 $30.53 million, an increase of $9.08 million from the prior year of $21.44 million. Of the $30.53 million, about $6.27 million was designated for unanticipated emergencies and $5.93 million is designated for capital projects.

Included in the City's major governmental funds, the Housing in Lieu Fee Fund surplus fund balance is $4.21 million, which can be used for affordable housing projects. The fund balance increased $261,649 from the prior fiscal year to reflect additional housing in lieu fees paid by developers. There is a deficit fund balance in the Lodging Business Improvement District (LBID) Fund of $1.35 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. The Pier Plaza project was completed in fiscal year 2021. The fund balance improved by $1.59 million to reflect additional LBID assessment revenues and the first payment to the Motor Vehicle Replacement Fund for the interfund loan.

The Capital Project Fund types have a combined fund balance of $2.89 million, an increase of $322,716 over fiscal year 2020, consisting 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 Utilities Fund. Revenues increased in the Capital Projects Funds primarily due to fees paid by a developer for a new 14-home subdivision in Pismo Beach, along with receiving additional grant monies for the Bello Bridge Replacement project.

In addition, the City's non-major governmental funds ended the 2021 fiscal year with a combined fund balance of $3.27 million. Of this amount, $876,722 is for non-major Special Revenue Funds which consist of the State Gas Tax Fund, the Local Transportation Street Fund, the Public Education Government (PEG) Fund, the Noncapital Grant Fund, and the Chapman Estate Fund. The non-major Debt Service Funds have a combined fund balance of $114,906, consisting of Pismo Beach Public Financing Agency and Authority and Completed Assessment District Funds.

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 $7.55 million less than final budget amounts. Budget amendments that occurred in revenues during the year include an increase of $3.56 million in General Fund revenues of various categories. Budgeted amendments that occurred in expenditures during the year include an increase of $6.85 million, which were mainly for capital projects.

General Fund revenues that came in higher than original estimates include Subventions and Grants by $722,921, Sales Taxes by $663,958, Miscellaneous by $416,689, Property Taxes by $214,057, Transient Occupancy Taxes by $161,161, and Other Taxes by $96,146.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2021, the City had invested $133.16 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 $2.95 million, or a 2.27 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
	2021	2020	2021	2020	2021	2020	2020-2021
Land and right of ways	$22.92	$22.92	$3.08	$3.08	$26.00	$26.00	0.00%
Construction in progress	13.98	20.90	3.02	9.00	17.00	29.90	-43.14%
Buildings	7.02	7.02	1.29	0.88	8.31	7.90	5.19%
Machinery and equipment	3.32	3.05	3.34	3.02	6.66	6.07	9.72%
Vehicles	5.72	5.61	-	-	5.72	5.61	1.96%
Improvements	12.20	12.20	-	-	12.20	12.20	0.00%
Tanks, wells, and system	-	-	18.62	14.22	18.62	14.22	30.94%
Pipelines/collection system	-	-	35.40	32.95	35.40	32.95	7.44%
Pier	-	-	10.37	10.37	10.37	10.37	0.00%
Infrastructure-streets	72.03	58.98	-	-	72.03	58.98	22.13%
Accumulated depreciation	(53.95)	(50.82)	(25.20)	(23.17)	(79.15)	(73.99)	6.97%
Total	**$83.24**	**$79.86**	**$49.92**	**$50.35**	**$133.16**	**$130.21**	**2.27%**

This year's major capital asset changes included:

- *Completion of the Shell Beach Streetscape Project in the amount of $13.9 million*
- *Completion of the Five Cities Lift Station project in the amount of $4.1 million*
- *Construction on the Bello Bridge replacement project spending $2.9 million*
- *Began construction on the Central Coast Blue project spending $0.8 million*
- *Completion of the Airstreams on the Pier project in the amount of $0.4 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 year 2021, the City has $3.66 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). 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 2021, the City has $7.00 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 2021, the City had $3.85 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 2021, the State Revolving Loans had outstanding balances of $4.35 million, which included $2.89 million for the Wastewater Treatment Loan, $55,915 for the Park/Cypress Interceptor Loan, $309,609 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 $625,635 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 $106,257 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 $4.88 million in fiscal year 2021, with $4.37 million being pension related, $348,798 OPEB related, and $165,289 as unamortized loss on refunding.

The City's Deferred Inflows of resources in the Governmental Activities and Business-Type Activities totaled $2.07 million, with $1.68 million pension related, and $385,624 OPEB related.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the 2022 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 2022. These projects could include $3.0 million towards the Public Safety Facility project, $2.0 million towards the FY 2022 paving project, $350 thousand for Chumash

Park improvements, $300 thousand for Ocean Boulevard improvements, and $300 thousand for James Way beautification.

- 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 $227,000.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

City of Pismo Beach, California
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 40,230,516	$ 21,892,257	$ 62,122,773
Restricted Cash and Investments	5		5
Taxes Receivable	3,595,676		3,595,676
Accounts Receivable, Net	1,216,445	2,074,129	3,290,574
Due from Other Governments	199,214		199,214
Accrued Interest Receivable	6,941	6,512	13,453
Prepayments	44,906	517,650	562,556
Total Current Assets	45,293,703	24,490,548	69,784,251
Noncurrent Assets:			
Deposits	114,202		114,202
Note and Interest Receivable	1,598,332		1,598,332
Capital Assets, Not Being Depreciated	36,901,619	6,099,113	43,000,732
Capital Assets, Being Depreciated, Net	46,350,464	43,805,846	90,156,310
Total Noncurrent Assets	84,964,617	49,904,959	134,869,576
Total Assets	130,258,320	74,395,507	204,653,827
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Loss on Refunding		165,289	165,289
Pension Related	3,791,024	578,006	4,369,030
OPEB Related	260,971	87,827	348,798
Total Deferred Outflows of Resources	$ 4,051,995	$ 831,122	$ 4,883,117

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Net Position - Continued
June 30, 2021

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 1,753,858	$ 602,264	$ 2,356,122
Accrued Liabilities	1,554,291	42,513	1,596,804
Current Portion of Compensated Absences	143,215	22,508	165,723
Deposits	1,014,947	177,917	1,192,864
Accrued Interest Payable		32,366	32,366
Current Portion of Bonds and Loans	299,569	891,692	1,191,261
Total Current Liabilities	4,765,880	1,769,260	6,535,140
Noncurrent Liabilities:			
Compensated Absences, Net of Current Portion	429,645	67,525	497,170
Bonds and Loans, Net of Current Portion	10,525,807	7,547,642	18,073,449
Net Pension Liability	15,534,855	2,320,675	17,855,530
Net OPEB Liability	470,109	158,212	628,321
Total Noncurrent Liabilities	26,960,416	10,094,054	37,054,470
Total Liabilities	31,726,296	11,863,314	43,589,610
DEFERRED INFLOWS OF RESOURCES			
Pension Related	1,500,532	181,107	1,681,639
OPEB Related	288,524	97,100	385,624
Total Deferred Inflows of Resources	1,789,056	278,207	2,067,263
NET POSITION			
Net Investment in Capital Assets	72,426,707	41,630,914	114,057,621
Restricted for:			
Debt Service	114,906		114,906
Capital Projects	750,742	2,291,691	3,042,433
Affordable Housing	4,209,633		4,209,633
Community Development	181,415		181,415
Streets	1,082,286		1,082,286
Unrestricted	22,029,274	19,162,503	41,191,777
Total Net Position	$ 100,794,963	$ 63,085,108	$ 163,880,071

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, 2021

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental Activities:				
General Government	$ 7,758,082	$ 4,140,043	$ 1,284,302	$
Public Safety:				
Police Protection	6,996,279	237,362	100,854	
Fire Protection	2,473,929	80,291		
Streets	1,045,069	2,500	541,017	3,521,786
Community Services	2,271,402	439,627	71,744	
Public Works	4,428,749	1,134,589		73,000
Redevelopment and Housing	63,831	270,998		
Interest on Long-term Debt	416,148			
Total Governmental Activities	25,453,489	6,305,410	1,997,917	3,594,786
Business-type Activities:				
Water	5,550,098	5,360,590		
Wastewater	4,282,686	5,478,360		
Transit	1,871	10,000		
Pier	238,868	44,469		
Parking	712,764	2,655,833		
Total Business-type Activities	10,786,287	13,549,252	-	-
Total Primary Government	$ 36,239,776	$ 19,854,662	$ 1,997,917	$ 3,594,786
General Revenues:				
Property Taxes				
Sales Taxes				
Special Water Taxes				
Transient Occupancy Taxes				
Other Taxes				
Franchise Taxes				
Unrestricted Investment Earnings				
Other Revenue				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning of Year				
Net Position - End of Year				

The accompanying notes are an integral part of this statement.

Net Revenues (Expense) and Changes in Net Position		
Governmental Activities	Business-type Activities	Total
$ (2,333,737)	$	(2,333,737)
(6,658,063)		(6,658,063)
(2,393,638)		(2,393,638)
3,020,234		3,020,234
(1,760,031)		(1,760,031)
(3,221,160)		(3,221,160)
207,167		207,167
(416,148)		(416,148)
(13,555,376)	-	(13,555,376)
	(189,508)	(189,508)
	1,195,674	1,195,674
	8,129	8,129
	(194,399)	(194,399)
	1,943,069	1,943,069
-	2,762,965	2,762,965
$ (13,555,376)	$ 2,762,965	$ (10,792,411)
$ 6,220,595	$	$ 6,220,595
5,408,109		5,408,109
	1,425,781	1,425,781
14,209,579		14,209,579
462,369		462,369
695,022		695,022
242,216	(84,726)	157,490
373,222		373,222
227,071	(227,071)	-
27,838,183	1,113,984	28,952,167
14,282,807	3,876,949	18,159,756
86,512,156	59,208,159	145,720,315
$ 100,794,963	$ 63,085,108	$ 163,880,071

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Balance Sheet
Governmental Funds
June 30, 2021

	General Fund	Special Revenue: Housing In-Lieu	Special Revenue: Lodging Business Improvement
ASSETS			
Cash and Investments	$ 28,354,453	$ 4,048,094	$ 702,069
Cash and Investments with Fiscal Agent			
Taxes Receivable	3,251,427		344,249
Accounts Receivable	1,206,940		
Due from Other Governments			
Accrued Interest Receivable	3,488	1,198	325
Prepayments	44,906		
Note and Accrued Interest Receivable		2,245,776	
Total Assets	$ 32,861,214	$ 6,295,068	$ 1,046,643
LIABILITIES			
Accounts Payable	$ 485,307	$	$ 106,205
Accrued Liabilities	937,636		937
Advances to Other Funds			2,288,811
Deposits	910,574		
Total Liabilities	2,333,517	-	2,395,953
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Note Receivable		2,085,435	
Total Deferred Inflows of Resources	-	2,085,435	-
FUND BALANCES			
Nonspendable	44,906		
Restricted for:			
Capital Project Funding			
Streets and Highways			
Community Development			
Affordable Housing		4,209,633	
Park Development			
Debt Service			
Committed for:			
City Facility Reserve	500,000		
Capital Projects	5,934,881		
Risk Management Reserve	250,000		
Assigned			
General Fund Reserve	6,273,319		
Capital Projects	414,446		
Unassigned	17,110,145		(1,349,310)
Total Fund Balances	30,527,697	4,209,633	(1,349,310)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 32,861,214	$ 6,295,068	$ 1,046,643

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 1,443,295	$ 3,363,030	$ 37,910,941
	5	5
		3,595,676
	9,505	1,216,445
171,718	27,496	199,214
	1,015	6,026
		44,906
		2,245,776
$ 1,615,013	$ 3,401,051	$ 45,218,989
$ 1,001,200	$ 24,415	$ 1,617,127
	111	938,684
		2,288,811
	104,373	1,014,947
1,001,200	128,899	5,859,569
		2,085,435
-	-	2,085,435
		44,906
	489,242	489,242
	1,082,286	1,082,286
	181,415	181,415
		4,209,633
	261,500	261,500
	114,906	114,906
		500,000
	809,178	6,744,059
		250,000
		6,273,319
613,813	333,625	1,361,884
		15,760,835
613,813	3,272,152	37,273,985
$ 1,615,013	$ 3,401,051	$ 45,218,989

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, 2021

Fund Balances of Governmental Funds		$ 37,273,985
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	131,340,707
	Accumulated Depreciation	(50,450,132)
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.		114,202
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).		4,051,995
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.		1,598,332
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	(10,825,376)
	Compensated Absences	(552,356)
	Claims Liability	(775,664)
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.		(15,534,855)
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		(470,109)
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).		(1,789,056)
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.		6,813,290
Net Position of Governmental Activities		$ 100,794,963

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, 2021

	General Fund	Special Revenue: Housing In-Lieu	Special Revenue: Lodging Business Improvement
REVENUES			
Property Taxes	$ 6,220,595	$	$
Sales Taxes	5,408,109		
Transient Occupancy Taxes	14,209,579		
Other Taxes	1,119,442		
Licenses and Permits	1,136,857		
Fines and Forfeits	46,662		
Subventions and Grants	1,254,169		
Investment Earnings	210,641	4,691	2,181
Rental Income	154,872		
Charges for Services	354,483	270,998	
Special Assessments			2,703,948
Miscellaneous	1,651,542		
Total Revenues	31,766,951	275,689	2,706,129
EXPENDITURES			
Current:			
General Government	5,508,405		936,597
Public Safety	8,733,753		
Highways and Streets	770,178		
Community Services	1,872,822		
Public Works	2,395,868		
Housing		14,040	
Capital Outlay	83,713		
Debt Service:			
Principal			
Interest and Fiscal Charges			
Total Expenditures	19,364,739	14,040	936,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,402,212	261,649	1,769,532
OTHER FINANCING SOURCES (USES)			
Transfers In	140,000		
Transfers Out	(3,457,358)		(183,252)
Total Other Financing Sources (Uses)	(3,317,358)	-	(183,252)
Net Change in Fund Balances	9,084,854	261,649	1,586,280
Fund Balance (Deficit), Beginning of Year	21,442,843	3,947,984	(2,935,590)
Fund Balance (Deficit), End of Year	$ 30,527,697	$ 4,209,633	$ (1,349,310)

The accompanying notes are an integral part of this statement.

Capital Projects	Other Governmental Funds	Total Governmental Funds
$	$	$ 6,220,595
		5,408,109
		14,209,579
		1,119,442
		1,136,857
		46,662
3,128,216	680,266	5,062,651
	697	218,210
		154,872
	343,937	969,418
		2,703,948
73,000	114,760	1,839,302
3,201,216	1,139,660	39,089,645
		6,445,002
		8,733,753
120,403	5,111	895,692
	7,335	1,880,157
		2,395,868
	49,791	63,831
6,065,256	24,870	6,173,839
	288,307	288,307
	422,302	422,302
6,185,659	797,716	27,298,751
(2,984,443)	341,944	11,790,894
2,887,389	773,437	3,800,826
	(829,955)	(4,470,565)
2,887,389	(56,518)	(669,739)
(97,054)	285,426	11,121,155
710,867	2,986,726	26,152,830
$ 613,813	$ 3,272,152	$ 37,273,985

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, 2021

Net Change in Fund Balances - Total Governmental Funds	$	11,121,155
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.		24,006
Changes in deposits with insurance pools do not provide current financial resources and are not reported in the governmental funds.		(1,213)
Costs of capital assets are reported as expenditures in the governmental funds in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the year was:		
Capitalized Expenditures for Capital Outlay - Governmental Funds		6,042,894
Depreciation Expense		(2,804,778)
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.		395,574
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.		294,461
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.		26,830
Changes in actuarially determined claim liabilities for uninsured claims do not provide current financial resources and are not reported in the governmental funds.		(357,989)
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.		(912,442)
The net expense of activities of internal service funds is reported within governmental activities.		454,309
Change in Net Position of Governmental Activities	$	14,282,807

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, 2021

	Enterprise Funds			
	Water	Wastewater	Pier	Parking
ASSETS				
Current Assets:				
Cash and Cash Equivalents	$ 8,896,972	$ 9,469,583	$ 7,708	$ 3,487,833
Accounts Receivable	968,310	999,099	912	105,808
Accrued Interest Receivable	2,303	2,933		1,264
Prepayments	517,650			
Advances from Other Funds				
Total Current Assets	10,385,235	10,471,615	8,620	3,594,905
Noncurrent Assets:				
Land	1,930,563	214,759	33,425	900,646
Construction in Progress	110,198	2,909,522		
Improvements and Buildings	8,072,976		400,236	1,394,953
Vehicles				
Distribution and Collection Systems	11,623,060	38,942,312		
Equipment				128,909
Pier			8,446,738	
Total Capital Assets	21,736,797	42,066,593	8,880,399	2,424,508
Less Accumulated Depreciation	(9,213,937)	(15,343,853)	(457,479)	(188,069)
Capital Assets, Net of Accumulated Depreciation	12,522,860	26,722,740	8,422,920	2,236,439
Total Noncurrent Assets	12,522,860	26,722,740	8,422,920	2,236,439
Total Assets	22,908,095	37,194,355	8,431,540	5,831,344
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized Loss on Refunding		165,289		
Pension Related	222,893	302,776		52,337
OPEB Related	33,868	46,006		7,953
Total Deferred Outflows of Resources	$ 256,761	$ 514,071	$ -	$ 60,290

The accompanying notes are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ 30,161	$ 21,892,257	$ 2,319,575
	2,074,129	
12	6,512	915
	517,650	
	-	2,288,811
30,173	24,490,548	4,609,301
	3,079,393	
	3,019,720	
	9,868,165	
	-	5,080,647
	50,565,372	
	128,909	843,949
	8,446,738	
-	75,108,297	5,924,596
	(25,203,338)	(3,557,486)
-	49,904,959	2,367,110
-	49,904,959	2,367,110
30,173	74,395,507	6,976,411
	165,289	
	578,006	
	87,827	
$ -	$ 831,122	$ -

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, 2021

	Enterprise Funds			
	Water	Wastewater	Pier	Parking
LIABILITIES				
Current Liabilities:				
Accounts Payable	$ 207,747	$ 365,230	$ 1,374	$ 27,641
Accrued Liabilities	15,968	21,211		5,334
Deposits	168,317		9,600	
Current Portion of Compensated Absences	6,925	13,054		2,529
Accrued Interest Payable		32,366		
Current Portion of Bonds and Loans		891,692		
Total Current Liabilities	398,957	1,323,553	10,974	35,504
Noncurrent Liabilities:				
Compensated Absences, Net of Current Portion	20,773	39,166		7,586
Loans, Net of Current Portion		3,714,535		
Bonds, Net of Current Portion		3,833,107		
Net Pension Liability	894,907	1,215,635		210,133
Net OPEB Liability	61,010	82,876		14,326
Total Noncurrent Liabilities	976,690	8,885,319	-	232,045
Total Liabilities	1,375,647	10,208,872	10,974	267,549
DEFERRED INFLOWS OF RESOURCES				
Pension Related	69,839	94,869		16,399
OPEB Related	37,444	50,864		8,792
Total Deferred Inflows of Resources	107,283	145,733	-	25,191
NET POSITION				
Net Investment in Capital Assets	12,522,860	18,448,695	8,422,920	2,236,439
Restricted for Capital Improvements	652,404	1,639,287		
Unrestricted	8,506,662	7,265,839	(2,354)	3,362,455
Total Net Position	$ 21,681,926	$ 27,353,821	$ 8,420,566	$ 5,598,894

The accompanying notes are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ 272	$ 602,264	$ 136,731
	42,513	5,886
	177,917	
	22,508	5,126
	32,366	
	891,692	
272	1,769,260	147,743
	67,525	15,378
	3,714,535	
	3,833,107	
	2,320,675	
	158,212	
-	10,094,054	15,378
272	11,863,314	163,121
	181,107	
	97,100	
-	278,207	-
	41,630,914	2,367,110
	2,291,691	
29,901	19,162,503	4,446,180
$ 29,901	$ 63,085,108	$ 6,813,290

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, 2021

	Enterprise Funds			
	Water	Wastewater	Pier	Parking
OPERATING REVENUES				
Sales of Water	$ 4,948,500	$	$	$
Service Fees	337,724	5,302,023	38,481	2,615,590
Miscellaneous	74,366	176,337	5,988	40,243
Total Operating Revenues	5,360,590	5,478,360	44,469	2,655,833
OPERATING EXPENSES				
Salaries and Benefits	826,044	1,123,804		255,163
Purchased Power	126,024	130,315	9,825	
Services and Supplies	1,348,124	1,279,065	50,193	384,302
Customer Accounting	44,520	44,724		
Joint Operating Expenses	2,857,678			
Depreciation and Amortization	336,913	1,466,796	178,850	73,299
Total Operating Expenses	5,539,303	4,044,704	238,868	712,764
Operating Income (Loss)	(178,713)	1,433,656	(194,399)	1,943,069
NONOPERATING REVENUES (EXPENSES)				
Property and Special Taxes	1,425,781			
Grant Revenues				
Gain (Loss) on Disposal of Capital Assets	(10,795)	203		
Investment Earnings	(13,519)	(89,538)		18,471
Interest Expense		(238,185)		
Total Nonoperating Revenues (Expenses)	1,401,467	(327,520)	-	18,471
Income (Loss) Before Transfers	1,222,754	1,106,136	(194,399)	1,961,540
TRANSFERS				
Transfers In	821,389	444,952	133,774	-
Transfers Out	(884,738)	(691,411)		(51,037)
Total Transfers	(63,349)	(246,459)	133,774	(51,037)
Change in Net Position	1,159,405	859,677	(60,625)	1,910,503
Total Net Position - Beginning of Year	20,522,521	26,494,144	8,481,191	3,688,391
Total Net Position - End of Year	$ 21,681,926	$ 27,353,821	$ 8,420,566	$ 5,598,894

The accompanying notes are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$	$ 4,948,500	$
	8,293,818	1,196,313
10,000	306,934	
10,000	13,549,252	1,196,313
	2,205,011	295,068
	266,164	
1,871	3,063,555	959,759
	89,244	
	2,857,678	
	2,055,858	448,383
1,871	10,537,510	1,703,210
8,129	3,011,742	(506,897)
	1,425,781	
	-	1,579
	(10,592)	13,315
(140)	(84,726)	49,502
	(238,185)	
(140)	1,092,278	64,396
7,989	4,104,020	(442,501)
	1,400,115	902,366
	(1,627,186)	(5,556)
-	(227,071)	896,810
7,989	3,876,949	454,309
21,912	59,208,159	6,358,981
$ 29,901	$ 63,085,108	$ 6,813,290

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, 2021

	Enterprise Funds			
	Water	Wastewater	Pier	Parking
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers	$ 5,293,621	$ 5,410,709	$ 43,557	$ 2,582,746
Receipts from Other Funds for Services				
Payments to Suppliers for Goods and Services	(4,196,836)	(1,474,630)	(49,225)	(254,403)
Payments to Employees for Wages and Benefits	(750,066)	(998,761)		(369,407)
Net Cash Provided by (Used for) Operating Activities	346,719	2,937,318	(5,668)	1,958,936
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property and Special Taxes	1,425,781			
Advances to Other Funds				
Transfers from Other Funds	821,389	444,952	133,774	
Transfers to Other Funds	(884,738)	(691,411)		(51,037)
Net Cash Provided by (Used for) Noncapital Financing Activities	1,362,432	(246,459)	133,774	(51,037)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Payments on Long-Term Debt Principal		(872,119)		
Interest Paid on Long-Term Debt		(242,880)		
Purchase of Capital Assets	(265,159)	(1,229,509)	(121,499)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	(265,159)	(2,344,508)	(121,499)	-
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	179	(60,329)		19,826
Net Cash Provided by (Used for) Investing Activities	179	(60,329)		19,826
Net Increase (Decrease) in Cash and Cash Equivalents	1,444,171	286,022	6,607	1,927,725
Cash and Cash Equivalents - Beginning of the Year	7,452,801	9,183,561	1,101	1,560,108
Cash and Cash Equivalents - End of the Year	$ 8,896,972	$ 9,469,583	$ 7,708	$ 3,487,833

The accompanying notes are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities - Internal Service Fund
$ 10,000	$ 13,340,633	$
	-	1,269,611
(1,735)	(5,976,829)	(872,157)
	(2,118,234)	(291,433)
8,265	5,245,570	106,021
	1,425,781	
	-	992,980
	1,400,115	896,810
	(1,627,186)	
-	1,198,710	1,889,790
	(872,119)	
	(242,880)	
	(1,616,167)	(187,313)
-	(2,731,166)	(187,313)
(72)	(40,396)	49,487
(72)	(40,396)	49,487
8,193	3,672,718	1,857,985
21,968	18,219,539	461,590
$ 30,161	$ 21,892,257	$ 2,319,575

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, 2021

	Enterprise Funds			
	Water	Wastewater	Pier	Parking
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Operating Income (Loss)	$ (178,713)	$ 1,433,656	$ (194,399)	$ 1,943,069
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:				
Depreciation and Amortization	336,913	1,466,796	178,850	73,299
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:				
Accounts Receivable	(72,450)	(67,651)	(912)	(73,087)
Prepayments	237,700			695
Deferred Outflow of Resources - Pensions	(12,900)	(19,113)		907
Deferred Outflow of Resources - OPEB	19,773	26,453		5,648
Accounts Payable	(58,190)	(20,526)	1,193	14,200
Accrued Liabilities	(4,561)	(1,477)		(5,432)
Deposits	5,481		9,600	
Compensated Absences	(3,127)	7,395		91
Net Pension Liability	121,208	170,507		13,961
Net OPEB Liability	(22,298)	(29,658)		(6,797)
Deferred Inflow of Resources - Pensions	(14,863)	(19,549)		(5,077)
Deferred Inflow of Resources - OPEB	(7,254)	(9,515)		(2,541)
TOTAL CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	$ 346,719	$ 2,937,318	$ (5,668)	$ 1,958,936

The accompanying notes are an integral part of this statement.

Other Enterprise Funds	Totals	Governmental Activities - Internal Service Fund
$ 8,129	$ 3,011,742	$ (506,897)
	2,055,858	448,383
	(214,100)	73,298
	238,395	
	(31,106)	
	51,874	
136	(63,187)	87,602
	(11,470)	(2,687)
	15,081	
	4,359	6,322
	305,676	
	(58,753)	
	(39,489)	
	(19,310)	
$ 8,265	$ 5,245,570	$ 106,021

The accompanying notes are an integral part of this statement.

City of Pismo Beach, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Custodial Fund
	San Luis Obispo County Tourism Fund
ASSETS	
Cash and Cash Equivalents	$ 186,729
Accounts Receivable	258,032
Total Assets	444,761
LIABILITIES	
Due to Other Governmental Agencies	444,761
Total Liabilities	444,761
NET POSITION	
Restricted	$ -

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, 2021

	Custodial Fund San Luis Obispo County Tourism Fund
ADDITIONS	
Assessments Collections for Other Governments	$ 2,028,418
Total Additions	2,028,418
DEDUCTIONS	
Payments of Assessments to Other Governments	2,028,418
Total Deductions	2,028,418
Change in Net Position	-
Net Position - Beginning of Year	-
Net Position - End of Year	$ -

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") is 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 measurable 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.

Lodging 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.

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

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 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, 2021, 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, 2021, 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 $807,590.

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

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

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, 2021 the balance in the GFR was $6,273,319. 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, 2021, 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, 2021, 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, 2021, cash and investments consisted of the following:

Statement of Net Position:		
Cash and Investments	$	62,122,773
Restricted Cash and Investments		5
Statement of Fiduciary Net Position:		
Cash and Cash Equivalents		186,729
Total Cash and Investments	$	62,309,507

At June 30, 2021, cash and investments consisted of the following:

Cash	$	14,038,358
Cash Held by Fiscal Agents		5
Investments		48,271,144
Total Cash and Investments	$	62,309,507

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 $28,692,075 at June 30, 2021 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 fair 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, 2021:

	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	$ 14,653,717	$	$ 14,653,717	$
US Government Agency Obligations	8,216,490		8,216,490	
Municipal Bonds	2,306,228		2,306,228	
Corporate Bonds	3,328,102		3,328,102	
Total Investments by Fair Value Hierarchy	28,504,537	$ -	$ 28,504,537	$ -
Investments Not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund	19,244,269			
Money Market Funds	522,338			
Total Investments Not Subject to Fair Value Hierarchy	19,766,607			
Total Investments Measured at Fair Value	$ 48,271,144			

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, 2021 LAIF had a weighted average maturity of 291 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 fair 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, 2021, maturities were as follows for the City's investments:

Liquidity	Amount
FY 2021-22	$ 25,882,524
FY 2022-23	3,392,294
FY 2023-24	1,187,265
FY 2024-25	10,104,101
FY 2025-26	7,704,960
Total Investments	$ 48,271,144

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 28% of the City's investments at June 30, 2021. 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, 2021, credit risk ratings were as follows for the City's investments:

	Rating	Fair Value
State Local Agency Investment Fund	Unrated	$ 19,244,269
Negotiable Certificates of Deposit	Unrated	14,653,717
Money Market Funds	Unrated	522,338
U.S. Government Agency Obligations	AAA	2,732,970
U.S. Government Agency Obligations	AA+	5,483,520
Municipal Obligations	AA-	2,306,228
U.S. Corporate Bonds	AA+	1,060,790
U.S. Corporate Bonds	AA-	267,267
U.S. Corporate Bonds	A	2,000,045
Total Investments		$ 48,271,144

3) ACCOUNTS RECEIVABLE

At June 30, 2021, 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	$ 3,251,427	$	$ 344,249	$	$	$	$ 3,595,676
Accounts Receivable	1,206,940				9,505		1,216,445
Due From Other Governments				171,718	27,496		199,214
Accrued Interest Receivable	3,488	1,198	325		1,015	915	6,941
Total Accounts Receivable	$ 4,461,855	$ 1,198	$ 344,574	$ 171,718	$ 38,016	$ 915	$ 5,018,276

	Water	Wastewater	Pier	Parking	Other Enterprise Funds	Total Business-Type Activities
Business-Type Activities:						
Accounts Receivable	$ 968,310	$ 999,099	$ 912	$ 105,808	$	$ 2,074,129
Accrued Interest Receivable	2,303	2,933		1,264	12	6,512
Total Accounts Receivable	$ 970,613	$ 1,002,032	$ 912	$ 107,072	$ 12	$ 2,080,641

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, 2021, the current principal balance and accrued interest on the note receivable was $1,442,418.

In 2021, the City entered into a note receivable agreement with Peoples' Self-Help Housing (a non-profit organization) for a loan in the amount of $2,500,000 for the development of affordable housing. The loan bears no interest. Principal and interest are due and payable in full in 2076. Further, the City entered into an agreement to where the Development Impact Fees in the amount of $419,341 would be deferred and become payable in full in 2076. The loans are secured by a deed of trust and a regulatory agreement. At June 30, 2021, the current principal balance on the note receivable was $160,341 (current portion of drawdowns) and $419,341 for deferred fees.

In 2021, the City entered into a note receivable agreement with Housing Authority of SLO (a non-profit organization) for a loan in the amount of $1,000,000 for the development of affordable housing. The loan bears no interest. Principal and interest are due and payable in full in 2076. Further, the City entered into an agreement to where the Development Impact Fees in the amount of $223,676 would be deferred and become payable in full in 2076. The loans are secured by a deed of trust and a regulatory agreement. At June 30, 2021, the current principal balance on the note receivable was $0 (no current portion of drawdowns) and $223,676 for deferred fees.

5) CAPITAL ASSETS

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

	Balance June 30, 2020	Additions	Transfers/ Deletions	Balance June 30, 2021
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 17,848,795	$	$	$ 17,848,795
Right-of-way - Street System	5,068,528			5,068,528
Construction in Progress	20,900,166	5,736,371	(12,652,241)	13,984,296
Total Capital Assets, Not Being Depreciated	43,817,489	5,736,371	(12,652,241)	36,901,619
Capital Assets, Being Depreciated:				
Buildings	7,024,159			7,024,159
Machinery and Equipment	3,051,629	291,493	(20,026)	3,323,096
Vehicles	5,605,478	179,644	(66,111)	5,719,011
Improvements	12,203,724	43,195	(43,390)	12,203,529
Infrastructure - Street System	58,982,659	13,047,815		72,030,474
Total Capital Assets, Being Depreciated	86,867,649	13,562,147	(129,527)	100,300,269
Accumulated Depreciation:				
Buildings	(3,258,373)	(115,920)		(3,374,293)
Machinery and Equipment	(2,444,054)	(234,312)	20,026	(2,658,340)
Vehicles	(3,085,898)	(415,890)	66,111	(3,435,677)
Improvements	(5,892,548)	(624,203)	43,390	(6,473,361)
Infrastructure - Street System	(36,145,298)	(1,862,836)		(38,008,134)
Total Accumulated Depreciation	(50,826,171)	(3,253,161)	129,527	(53,949,805)
Total Capital Assets, Being Depreciated, Net	36,041,478	10,308,986	-	46,350,464
Net Capital Assets, Governmental Activities	$ 79,858,967	$ 16,045,357	$ (12,652,241)	$ 83,252,083

5) CAPITAL ASSETS - Continued

	Balance June 30, 2020	Increases	Decreases	Balance June 30, 2021
Business-type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 3,079,393	$	$	$ 3,079,393
Construction in Progress	9,004,316	1,117,473	(7,102,069)	3,019,720
Total Capital Assets, Not Being Depreciated	12,083,709	1,117,473	(7,102,069)	6,099,113
Capital Assets, Being Depreciated:				
Buildings	885,735	400,236		1,285,971
Tanks, Wells and Improvements	14,218,735	4,397,446		18,616,181
Equipment	3,023,163	352,788	(37,907)	3,338,044
Pipelines and Collection System	32,948,618	2,451,221		35,399,839
Pier	10,369,149			10,369,149
Total Capital Assets, Being Depreciated	61,445,400	7,601,691	(37,907)	69,009,184
Accumulated Depreciation:				
Buildings	(351,654)	(23,074)		(374,728)
Tanks, Wells and Improvements	(7,850,416)	(1,404,764)		(9,255,180)
Equipment	(2,017,700)	(301,143)	26,403	(2,292,440)
Pipelines and Collection System	(11,415,838)	(157,940)		(11,573,778)
Pier	(1,538,275)	(168,937)		(1,707,212)
Total Accumulated Depreciation	(23,173,883)	(2,055,858)	26,403	(25,203,338)
Total Capital Assets, Being Depreciated, Net	38,271,517	5,545,833	(11,504)	43,805,846
Net Capital Assets				
Business-type Activities	$ 50,355,226	$ 6,663,306	$ (7,113,573)	$ 49,904,959

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	$ 416,305
Public Safety	205,414
Community Services	253,010
Infrastructure	1,930,049
Internal Service Funds	448,383
Total Depreciation - Governmental Activities	$ 3,253,161

5) CAPITAL ASSETS - Continued

Business-type Activities:	
Water	$ 336,913
Wastewater	1,466,796
Pier	178,850
Parking	73,299
Total Depreciation - Business-type Activities	$ 2,055,858

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, 2021, compensated absences of the internal service fund were $20,504.

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, 2021 was as follows:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 593,368	$ 127,834	$ (148,342)	$ 572,860	$ 143,215
Lease Revenue Bonds	10,947,536	-	(288,307)	10,659,229	299,569
Unamortized Bond Premium	172,301	-	(6,154)	166,147	-
Total Long-Term Debt Governmental Activities	$ 11,713,205	$ 127,834	$ (442,803)	$ 11,398,236	$ 442,784

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
Business-type Activities:					
Compensated Absences	$ 85,674	$ 25,778	$ (21,419)	$ 90,033	$ 22,508
Revenue Refunding Bonds	4,085,000	-	(240,000)	3,845,000	255,000
Unamortized Bond Premium	263,366	-	(20,259)	243,107	-
State Revolving Loans from Direct Borrowings	4,976,862	-	(625,635)	4,351,227	636,692
Total Long-term Debt Business-type Activities	$ 9,410,902	$ 25,778	$ (907,313)	$ 8,529,367	$ 914,200

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, 2021, the unamortized premium was $166,147.

At June 30, 2021, future minimum principal and interest payments on the 2017 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 150,000	$ 253,363	$ 403,363
2023	155,000	246,487	401,487
2024	160,000	238,612	398,612
2025	170,000	230,262	400,262
2026	180,000	221,613	401,613
2027-2031	1,020,000	986,563	2,006,563
2032-2036	1,235,000	772,275	2,007,275
2037-2041	1,450,000	554,963	2,004,963
2042-2046	1,710,000	287,581	1,997,581
2047-2048	770,000	27,125	797,125
Total	$ 7,000,000	$ 3,818,844	$ 10,818,844

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, 2021, future minimum principal and interest payments on the 2017B bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	177,478	128,122	305,600
2027-2031	1,010,734	514,570	1,525,304
2032-2036	1,251,743	268,295	1,520,038
2037-2038	580,624	25,645	606,269
Total	$ 3,659,229	$ 1,521,938	$ 5,181,167

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, 2021, future minimum principal and interest payments on the 2012 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	305,000	83,169	388,169
2027-2031	1,680,000	267,110	1,947,110
2032-2033	760,000	26,017	786,017
Total	$ 3,845,000	$ 838,996	$ 4,683,996

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, 2021, the unamortized premium was $243,107.

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, 2021, principal and interest paid and total customer net revenues were $240,000 and $148,363, respectively. The remaining balances are $4,683,996.

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, 2021, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
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	598,470	10,790	609,260
Total	$ 2,888,214	$ 158,084	$ 3,046,298

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, 2021, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 13,588	$ 1,059	$ 14,647
2023	13,845	802	14,647
2024	14,107	539	14,646
2025	14,375	272	14,647
Total	$ 55,915	$ 2,672	$ 58,587

6) LONG-TERM DEBT - Continued

State Revolving Fund Loans from Direct Borrowings - Continued

The City also entered into a third agreement with the State Water Resources Control Board for an additional $838,134 loan with an effective interest rate of approximately 1.8% for the purpose of financial additional improvements.

At June 30, 2021, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
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	39,016	2,891	41,907
2027-2029	121,318	4,401	125,719
Total	$ 309,609	$ 25,644	$ 335,253

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, 2021, future minimum principal and interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
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	31,658	16,593	48,251
2027-2031	166,547	74,707	241,254
2032-2036	181,193	60,061	241,254
2037-2041	197,128	44,127	241,255
2042-2046	214,463	26,792	241,255
2047-2050	185,072	7,932	193,004
Total	$ 1,097,489	$ 301,788	$ 1,399,277

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, 2021, principal and imputed interest paid and total system net revenues were $714,064 and $88,429, respectively. The remaining balances are $4,839,415.

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.

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

A) General Information about the Pension Plans - Continued

The Plan's provisions and benefits in effect at June 30, 2021, 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	0.000%	0.000%
Final Average Compensation Period	3-Year Average	3-Year Average

	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	23.674%	20.585%	13.044%
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%	7%	6.75%
Required Employer Contribution Rates	12.361%	8.794%	7.732%
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

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

A) General Information about the Pension Plans - Continued

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for 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.

For the year ended June 30, 2021, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous	Safety	Total
Contributions - Employer	$ 1,123,204	$ 983,542	$ 2,106,746

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

As of June 30, 2021, 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	$ 9,216,340	$ 8,639,190	$ 17,855,530

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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2020 and 2021 was as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2020	0.21116%	0.13300%	0.16354%
Proportion - June 30, 2021	0.21850%	0.12967%	0.16411%
Change - Increase/(Decrease)	0.00734%	-0.00333%	-0.00056%

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, 2021, the City recognized pension expense of $3,375,389. At June 30, 2021, 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	$ 1,123,204	$
Changes in Assumptions		(65,735)
Differences Between Expected and Actual Experience	474,945	
Differences Between Projected and Actual Investment Earnings	273,786	
Difference Between Employer's Contribution and Proportionate Share of Contributions	197,272	(424,200)
Change in Employer's Proportion	226,291	(229,313)
Total	$ 2,295,498	$ (719,248)

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 983,542	$
Changes in Assumptions		(28,777)
Differences Between Expected and Actual Experience	669,925	
Differences Between Projected and Actual Investment Earnings	187,766	
Difference Between Employer's Contribution and Proportionate Share of Contributions	232,299	(486,013)
Change in Employer's Proportion		(447,601)
Total	$ 2,073,532	$ (962,391)

7) PUBLIC EMPLOYEES RETIREMENT PLAN - Continued

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

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 2,106,746	$
Changes in Assumptions		(94,512)
Differences Between Expected and Actual Experience	1,144,870	
Differences Between Projected and Actual Investment Earnings	461,552	
Difference Between Employer's Contribution and Proportionate Share of Contributions	429,571	(910,213)
Change in Employer's Proportion	226,291	(676,914)
Total	$ 4,369,030	$ (1,681,639)

Pension contributions subsequent to the measurement dates of $2,106,746 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	Deferred Outflows (Inflows) of Resources		
Year Ending June 30,	Miscellaneous Plan	Safety Plan	Total
2022	$ (25,382)	$ (55,926)	$ (81,308)
2023	165,134	53,705	218,839
2024	181,978	35,738	217,716
2025	131,316	94,082	225,398
2026			
Thereafter			
Total	$ 453,046	$ 127,599	$ 580,645

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, 2019 actuarial valuations were determined using the following actuarial assumptions:

	All Plans
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary 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 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. 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, 2020, the accounting discount rate remained the same 7.15%. There were no changes in assumptions for the June 30, 2019 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 rounded 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 equal 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 ACFR, Fixed Income is included in Global Debt securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

[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	$ 14,391,274	$ 13,735,649	$ 28,126,923
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	$ 9,216,340	$ 8,639,190	$ 17,855,530
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	$ 4,940,455	$ 4,457,063	$ 9,397,518

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, 2021, the City reported a payable of $0, for the outstanding amount of contributions to the pension plan for the year ended June 30, 2021.

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	97
Inactive employees or beneficiaries currently receiving benefits	40
Inactive employees entitled to, but not yet receiving benefits	33
Total	170

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2021, the City made contributions of $0 plus $214,480 cash benefit payments and $67,000 implied subsidy benefit payments and $1,011 in administrative expenses.

Net OPEB Liability/(Asset)

The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2020 based on the following actuarial methods and assumptions:

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	7.25% (Non-Medicare) and 6.3% (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, 2020 ***(Valuation Date June 30, 2020)***	$ 4,195,631	$ 3,285,163	$ 910,468
Changes Recognized for the Measurement Period:			
Service Cost	133,409		133,409
Interest	283,458		283,458
Actual vs. Expected Experience			-
Changes of Assumptions			-
Contributions - Employer		586,236	(586,236)
Net Investment Income		115,313	(115,313)
Benefit Payments	(259,311)	(259,311)	-
Administrative Expense		(2,535)	2,535
Net Changes	157,556	439,703	(282,147)
Balance at June 30, 2021 ***(Measurement Date June 30, 2020)***	$ 4,353,187	$ 3,724,866	$ 628,321

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, 2021:

	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability/(Asset)	$ 1,144,290	$ 628,321	$ 197,453

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, 2021:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability/(Asset)	$ 332,175	$ 628,321	$ 1,043,893

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, 2021, the City recognized OPEB expense of $134,901. As of fiscal year ended June 30, 2021, 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	$	$ 373,762
OPEB contributions subsequent to measurement date	282,491	
Changes in assumptions		11,862
Net differences between projected and actual earnings on OPEB plan investments	66,307	
Total	$ 348,798	$ 385,624

8) OTHER POST EMPLOYMENT BENEFITS (OPEB) - Continued

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

The $282,491 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 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
2022	$ (62,145)
2023	(46,969)
2024	(42,072)
2025	(43,951)
2026	(65,361)
Thereafter	(58,819)

9) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended June 30, 2021 were as follows:

	Transfers In	Transfers Out
Governmental Funds:		
General Fund	$ 140,000	$ 3,457,358
Lodging Business Improvement		183,252
Capital Projects Fund	2,887,389	
Other Governmental Funds:		
State Gas Tax Fund		300,000
Noncapital Grants Fund		515,373
Chapman House Estate Fund	62,871	
Park Development Fund		12,400
Circulation Improvement Fund		1,266
Impact Fees Fund		916
City of Pismo Beach Public Financing Agency Fund	710,566	
Proprietary Funds:		
Water Fund	821,389	884,738
Wastewater Fund	444,952	691,411
Pier Fund	133,774	
Parking Fund		51,037
Other Proprietary Funds:		
Tech Service Fund	73,055	
Motor Vehicle Fund	829,311	5,556
	$ 6,103,307	$ 6,103,307

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, 2021:

Advances to Other Funds	Advances From Funds	Amount
Lodging Business Improvement	Motor Vehicle Fund	$ 2,288,811
		$ 2,288,811

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 Motor Vehicle Fund to the Lodging Business Improvement 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 $2,288,811 will be paid through future revenues in the Lodging Business Improvement Fund.

As a result of the loan from the Motor Vehicle Fund, the Lodging Business Improvement Fund has a deficit fund balance of $1,349,310 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 $179,776 and $1,341,262 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 $1,328,490 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 $200,000 per incident for workers' compensation claims, $100,000 per incident for general liability claims, and $10,000 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, 2021 is summarized as follows:

Interest Earnings	$	577
Claims Expense		(1,164)
Estimated liability for reported claims and settlement expenses		(7,358)
Assets on Deposit		114,202
Claims Asset (Liability) at June 30, 2021	$	106,257

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, 2019	$	61,773
Claim payments and related expenditures reimbursement		(2,349)
Change in estimated claims liability for year ended June 30, 2020		109,306
Interest Earnings		2,639
Estimated unpaid claims liability (asset) at June 30, 2020		109,306
Claim payments and related expenditures reimbursement		(1,164)
Change in estimated claims liability for year ended June 30, 2021		106,844
Interest Earnings		577
Claims Asset (Liability) at June 30, 2021	$	106,257

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, 2021, including encumbrances outstanding at year-end, were as follows:

General Fund	$	414,446
Special Revenue Funds		6,763
Capital Project Funds		6,743,476
Enterprise Funds		616,784
Internal Service Funds		810,193
Total	$	8,591,662

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 City has implemented GASB No. 84 and is reflected on the City's financial statements.

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. Currently, this standard has no impact on the City's financial statements.

13) NEW ACCOUNTING PRONOUNCEMENTS - Continued

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations.* This statement was issued to improve financial reporting for certain debt obligations. It allowed entities to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Statement No. 91 is effective for fiscal years beginning December 15, 2020. 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. 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.

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.

In October of 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR.* That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. Statement No. 98 is effective for fiscal years ending after December 15, 2021. The City has elected to early implement GASB No. 98 and is reflected on the City's financial statements.

Required Supplementary Information Section

City of Pismo Beach, California
Budgetary Comparison Schedule - General Fund
Budgetary Basis
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
Fund Balances, Beginning of Year	$ 21,442,843	$ 21,442,843	$ 21,442,843	$ -
Resources (Inflows):				
Property Taxes	5,614,348	6,006,538	6,220,595	214,057
Sales Taxes	4,744,151	4,744,151	5,408,109	663,958
Transient Occupancy Taxes	11,646,665	14,048,418	14,209,579	161,161
Other Taxes	871,480	1,023,296	1,119,442	96,146
License and Permits	939,250	1,176,947	1,136,857	(40,090)
Fines and Forfeits	51,000	51,000	46,662	(4,338)
Subventions and Grants	58,380	531,248	1,254,169	722,921
Interest Earnings	330,000	330,000	210,641	(119,359)
Rental Income	176,612	142,112	154,872	12,760
Charges for Services	205,700	333,736	354,483	20,747
Miscellaneous	1,295,521	1,234,853	1,651,542	416,689
Transfers In	270,000	140,000	140,000	-
Amounts Available for Charges to Appropriations	47,645,950	51,205,142	53,349,794	2,144,652
Charges to Appropriations:				
General Government:				
City Council	256,131	198,057	168,106	29,951
Administration	474,490	527,920	488,752	39,168
City Clerk	334,758	382,126	352,692	29,434
Human Resources	451,735	458,391	426,399	31,992
Legal	278,900	610,659	618,497	(7,838)
Conference and Visitors Bureau	836,094	756,734	600,705	156,029
Finance	1,001,562	1,016,585	910,397	106,188
Nondepartmental - Other	1,983,791	1,490,864	1,214,660	276,204
Nondepartmental - Retiree Medical	554,335	220,335	206,998	13,337
Facilities Maintenance	1,174,281	845,234	521,299	323,935
Public Safety:				
Police	6,564,738	6,504,848	6,031,202	473,646
Fire	3,179,853	2,477,859	2,423,098	54,761
Weed Abatement	14,500	17,500	19,780	(2,280)
Lifeguards	258,200	260,559	269,967	(9,408)
Public Works:				
Park Maintenance	937,699	1,594,282	1,338,251	256,031
Community Services:				
Buildings	830,831	703,915	605,642	98,273
Planning	877,008	1,376,533	989,836	386,697
Recreation	587,861	715,233	580,818	134,415
Engineering	903,405	938,226	827,462	110,764
Highways and Streets:				
Maintenance and Construction	968,904	881,286	770,178	111,108
Transfers Out	1,044,086	8,390,029	3,457,358	4,932,671
Total Charges to Appropriations	23,513,162	30,367,175	22,822,097	7,545,078
Fund Balance, End of Year	$ 24,132,788	$ 20,837,967	$ 30,527,697	$ 9,689,730

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 49,000	$ 49,000	$ 4,691	$ (44,309)
Charges for Services	50,000	50,000	270,998	220,998
Total Revenues	99,000	99,000	275,689	176,689
EXPENDITURES				
Current:				
Housing	1,340	3,514,040	14,040	3,500,000
Total Expenditures	1,340	3,514,040	14,040	3,500,000
Excess (Deficiency) of Revenues (Under) Over Expenditures	97,660	(3,415,040)	261,649	3,676,689
Net Change in Fund Balances	97,660	(3,415,040)	261,649	3,676,689
Fund Balance, Beginning of Year	3,947,984	3,947,984	3,947,984	-
Fund Balance, End of Year	$ 4,045,644	$ 532,944	$ 4,209,633	$ 3,676,689

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Lodging Business Improvement Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 5,000	$ 5,000	$ 2,181	$ (2,819)
Special Assessments	2,329,332	2,674,249	2,703,948	29,699
Total Revenues	2,334,332	2,679,249	2,706,129	26,880
EXPENDITURES				
Current:				
General Government	1,198,827	912,700	936,597	(23,897)
Total Expenditures	1,198,827	912,700	936,597	(23,897)
Excess (Deficiency) of Revenues over Expenditures	1,135,505	1,766,549	1,769,532	2,983
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,044,666)	(1,227,918)	(183,252)	1,044,666
Total Other Financing Sources (Uses)	(1,044,666)	(1,227,918)	(183,252)	1,044,666
Net Change in Fund Balances	90,839	538,631	1,586,280	1,047,649
Fund Balance (Deficit), Beginning of Year	(2,935,590)	(2,935,590)	(2,935,590)	-
Fund Balance (Deficit), End of Year	$ (2,844,751)	$ (2,396,959)	$ (1,349,310)	$ 1,047,649

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, 2021

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
2021	6/30/2020	0.218%	$ 9,216,340	$ 4,950,991	186.15%	76.30%
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
2021	6/30/2020	0.129%	$ 8,639,190	$ 2,045,603	422.33%	76.98%
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
2021	6/30/2020	0.164%	$ 17,855,530	$ 6,996,594	255.20%	76.63%
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%

* Historical information is required only for measurement periods for which GASB 68 is applicable. Future year's information will be displayed up to 10 years as information become available.

City of Pismo Beach, California
Schedule of Plan Contributions
CalPERS Pension Plan Last Ten Years*
As of June 30, 2021

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
2021	$ 1,123,204	$ (1,123,204)	$ -	$ 5,236,312	21.45%
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
2021	$ 983,542	$ (983,542)	$ -	$ 2,203,446	44.64%
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
2021	$ 2,106,746	$ (2,106,746)	$ -	$ 7,439,758	28.32%
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%

* Historical information is required only for measurement periods for which GASB 68 is applicable. Future year's information will be displayed up to 10 years as information become available.

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, 2021

Measurement Period	2020	2019	2018
Total OPEB Liability/(Asset)			
Service Cost	$ 133,409	$ 161,389	$ 157,747
Interest on the Total OPEB Liability/(Asset)	283,458	306,101	292,369
Changes in Assumptions	-	(15,884)	-
Actual Vs. Expected Experience	-	(500,462)	-
Benefit Payments	(259,311)	(257,880)	(242,785)
Net Change in Total OPEB Liability/(Asset)	**157,556**	**(306,736)**	**207,331**
Total OPEB Liability/(Asset) - Beginning	**4,195,631**	**4,502,367**	**4,295,036**
Total OPEB Liability/(Asset) - Ending (a)	**$ 4,353,187**	**$ 4,195,631**	**$ 4,502,367**
Plan Fiduciary Net Position			
Contribution - Employer	$ 586,236	$ 565,740	$ 534,785
Net Investment Income	115,313	181,663	183,879
Benefit Payments	(259,311)	(257,880)	(242,785)
Administrative Expense	(2,535)	(1,467)	(4,328)
Net Change in Plan Fiduciary Net Position	**439,703**	**488,056**	**471,551**
Plan Fiduciary Net Position - Beginning	**3,285,163**	**2,797,107**	**2,325,556**
Plan Fiduciary Net Position - Ending (b)	**$ 3,724,866**	**$ 3,285,163**	**$ 2,797,107**
Net OPEB Liability/(Asset) - Ending (a)-(b)	**$ 628,321**	**$ 910,468**	**$ 1,705,260**
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	85.6%	78.3%	62.1%
Covered Payroll	$ 7,380,250	$ 7,274,214	$ 7,181,151
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	8.5%	12.5%	23.7%

Notes to Schedule:

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

City of Pismo Beach, California
Schedule of Changes in the Net OPEB Liability and Related Ratios for Measurement Periods Ended June 30 - Continued
As of June 30, 2021

Measurement Period	2017
Total OPEB Liability/(Asset)	
Service Cost	$ 153,152
Interest on the Total OPEB Liability/(Asset)	279,739
Changes in Assumptions	-
Actual Vs. Expected Experience	-
Benefit Payments	(257,965)
Net Change in Total OPEB Liability/(Asset)	**174,926**
Total OPEB Liability/(Asset) - Beginning	**4,120,110**
Total OPEB Liability/(Asset) - Ending (a)	**$ 4,295,036**
Plan Fiduciary Net Position	
Contribution - Employer	$ 537,965
Net Investment Income	200,453
Benefit Payments	(257,965)
Administrative Expense	(1,012)
Net Change in Plan Fiduciary Net Position	**479,441**
Plan Fiduciary Net Position - Beginning	**1,846,115**
Plan Fiduciary Net Position - Ending (b)	**$ 2,325,556**
Net OPEB Liability/(Asset) - Ending (a)-(b)	**$ 1,969,480**
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability/(Asset)	54.1%
Covered Payroll	$ 6,688,838
Net OPEB Liability/(Asset) as a Percentage of Covered Payroll	29.4%

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

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
2021	$ 222,000	$ (282,491)	$ (60,491)	$ 7,439,757	3.8%
2020	$ 216,000	$ (586,236)	$ (370,236)	$ 7,380,250	7.9%
2019	$ 307,000	$ (565,740)	$ (258,740)	$ 7,274,214	7.8%
2018	$ 290,000	$ (534,785)	$ (244,785)	$ 7,181,151	7.4%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021 were from the June 30, 2020 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	7.25% (Non-Medicare) and 6.3% (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:	$	52,981,080
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		(21,442,843)
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		(140,000)
Total General Fund revenues as reported in the statement of revenues, expenditures and changes in fund balance - governmental funds	$	31,398,237
Uses/Outflows of Resources:		
Actual "total charges to appropriations" from the budgetary comparison schedule	$	22,822,097
Differences - budgetary basis to GAAP:		
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes		(3,457,358)
Total General Fund expenditures as reported in the statement of revenues, expenditures, and changes in fund balance - governmental funds	$	19,364,739

NOTE 2: EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Expenditures did not exceed appropriations in the General Fund, Housing in Lieu Fund and Lodging 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: SCHEDULE 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 2021. 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.

Supplementary
Information Section

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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.

City of Pismo Beach, California
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2021

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
ASSETS				
Cash and Investments	$ 71,000	$ 403,487	$ 128,935	$ 193,010
Cash and Investments with Fiscal Agent				
Accounts Receivable			9,505	
Due from Other Governments	27,496			
Accrued Interest Receivable	56	157	54	101
Total Assets	$ 98,552	$ 403,644	$ 138,494	$ 193,111
LIABILITIES				
Accounts Payable	$	$	$	$
Accrued Liabilities				
Deposits				
Total Liabilities	-	-	-	-
FUND BALANCES				
Restricted for:				
Capital Project Funding				
Streets and Highways	98,552	403,644		
Community Development			138,494	
Park Development				
Debt Service				
Committed for:				
Capital Projects				193,111
Assigned for:				
Capital Projects				
Total Fund Balances	98,552	403,644	138,494	193,111
Total Liabilities and Fund Balances	$ 98,552	$ 403,644	$ 138,494	$ 193,111

Special Revenue Funds	Capital Projects Funds		
Chapman House Estate	Public Facilities	Park Development	Circulation Improvement
$ 53,438	$ 875	$ 607,996	$ 579,952
10		253	138
$ 53,448	$ 875	$ 608,249	$ 580,090
$ 10,416	$	$ 13,999	$
111			
10,527	-	13,999	-
			580,090
42,921			
		261,500	
	875	332,750	
42,921	875	594,250	580,090
$ 53,448	$ 875	$ 608,249	$ 580,090

Continued

City of Pismo Beach, California
Combining Balance Sheet - Continued
Non-major Governmental Funds
June 30, 2021

	Capital Project Funds			Debt Service Funds
	Impact Fees	Developer Impact Fees	Underground Utilities	City of Pismo Beach Public Financing Agency
ASSETS				
Cash and Investments	$ 1,026,542	$ 166,484	$ 16,459	$
Cash and Investments with Fiscal Agent				5
Accounts Receivable				
Due from Other Governments				
Accrued Interest Receivable	119	71	7	
Total Assets	$ 1,026,661	$ 166,555	$ 16,466	$ 5
LIABILITIES				
Accounts Payable	$	$	$	$
Accrued Liabilities				
Deposits		104,373		
Total Liabilities	-	104,373	-	-
FUND BALANCES				
Restricted for:				
Capital Project Funding	410,594	62,182	16,466	
Streets and Highways				
Community Development				
Park Development				
Debt Service				5
Committed for:				
Capital Projects	616,067			
Assigned for:				
Capital Projects				
Total Fund Balances	1,026,661	62,182	16,466	5
Total Liabilities and Fund Balances	$ 1,026,661	$ 166,555	$ 16,466	$ 5

Debt Service Funds			Total
Indio / El Portal Assessment District	Visalia Assessment District	Reassessment District	Non-major Governmental Funds
$ 736	$ 100,677	$ 13,439	$ 3,363,030
			5
			9,505
			27,496
	43	6	1,015
$ 736	$ 100,720	$ 13,445	$ 3,401,051
$	$	$	$ 24,415
			111
			104,373
-	-	-	128,899
			489,242
			1,082,286
			181,415
			261,500
736	100,720	13,445	114,906
			809,178
			333,625
736	100,720	13,445	3,272,152
$ 736	$ 100,720	$ 13,445	$ 3,401,051

City of Pismo Beach, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
REVENUES				
Subventions and Grants	$ 339,771	$ 202,547	$ 37,948	$ 100,000
Investment Earnings	(3,396)	(40)	(602)	(8,303)
Charges for Services				
Miscellaneous		2,500		
Total Revenues	336,375	205,007	37,346	91,697
EXPENDITURES				
Current:				
Highways and Streets		5,111		
Community Services			1,567	
Housing				
Capital Outlay			36	
Debt Service:				
Principal				
Interest and Fiscal Charges				
Total Expenditures	-	5,111	1,603	-
Excess (Deficiency) of Revenues Over Expenditures	336,375	199,896	35,743	91,697
OTHER FINANCING SOURCES (USES)				
Transfers In				
Transfers Out	(300,000)			(515,373)
Total Other Financing Sources (Uses)	(300,000)	-	-	(515,373)
Net Change in Fund Balances	36,375	199,896	35,743	(423,676)
Fund Balance, Beginning of Year	62,177	203,748	102,751	616,787
Fund Balance, End of Year	$ 98,552	$ 403,644	$ 138,494	$ 193,111

Special Revenue Funds	Capital Projects Funds		
Chapman House Estate	Public Facilities	Park Development	Circulation Improvement
$	$	$	$
(296)	(8)	(3,442)	3,745
		141,615	
5,675			106,585
5,379	(8)	138,173	110,330
		4,482	
49,791			
		24,834	
49,791	-	29,316	-
(44,412)	(8)	108,857	110,330
62,871			
		(12,400)	(1,266)
62,871	-	(12,400)	(1,266)
18,459	(8)	96,457	109,064
24,462	883	497,793	471,026
$ 42,921	$ 875	$ 594,250	$ 580,090

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, 2021

	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	15,902	(1,607)	(158)	11
Charges for Services	202,322			
Miscellaneous				
Total Revenues	218,224	(1,607)	(158)	11
EXPENDITURES				
Current:				
Highways and Streets				
Community Services	1,286			
Housing				
Capital Outlay				
Debt Service:				
Principal				288,307
Interest and Fiscal Charges				422,302
Total Expenditures	1,286	-	-	710,609
Excess (Deficiency) of Revenues (Under) Over Expenditures	216,938	(1,607)	(158)	(710,598)
OTHER FINANCING SOURCES (USES)				
Transfers In				710,566
Transfers Out	(916)			
Total Other Financing Sources (Uses)	(916)	-	-	710,566
Net Change in Fund Balances	216,022	(1,607)	(158)	(32)
Fund Balance, Beginning of Year	810,639	63,789	16,624	37
Fund Balance, End of Year	$ 1,026,661	$ 62,182	$ 16,466	$ 5

Debt Service Funds			
Indio / El Portal Assessment District	Visalia Assessment District	Reassessment District	Total Non-major Governmental Funds
$	$	$	$ 680,266
(8)	(971)	(130)	697
			343,937
			114,760
(8)	(971)	(130)	1,139,660
			5,111
			7,335
			49,791
			24,870
			288,307
			422,302
-	-	-	797,716
(8)	(971)	(130)	341,944
			773,437
			(829,955)
-	-	-	(56,518)
(8)	(971)	(130)	285,426
744	101,691	13,575	2,986,726
$ 736	$ 100,720	$ 13,445	$ 3,272,152

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$	$ 8,795,100	$ 3,128,216	$ (5,666,884)
Miscellaneous		142,896	73,000	(69,896)
Total Revenues	-	8,937,996	3,201,216	(5,736,780)
EXPENDITURES				
Current:				
Highways and Streets		246,846	120,403	126,443
Capital Outlay	15,000	18,025,032	6,065,256	11,959,776
Total Expenditures	15,000	18,271,878	6,185,659	12,086,219
Excess (Deficiency) of Revenues over Expenditures	(15,000)	(9,333,882)	(2,984,443)	6,349,439
OTHER FINANCING SOURCES (USES)				
Transfers In	15,000	8,671,531	2,887,389	(5,784,142)
Total Other Financing Sources (Uses)	15,000	8,671,531	2,887,389	(5,784,142)
Net Change in Fund Balances	-	(662,351)	(97,054)	565,297
Fund Balance, Beginning of Year	710,867	710,867	710,867	-
Fund Balance, End of Year	$ 710,867	$ 48,516	$ 613,813	$ 565,297

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 365,793	$ 365,793	$ 339,771	$ (26,022)
Investment Earnings	4,000	4,000	(3,396)	(7,396)
Total Revenues	369,793	369,793	336,375	(33,418)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(140,000)	(300,000)	(300,000)	-
Total Other Financing Sources (Uses)	(140,000)	(300,000)	(300,000)	-
Net Change in Fund Balances	229,793	69,793	36,375	(33,418)
Fund Balance, Beginning of Year	62,177	62,177	62,177	-
Fund Balance, End of Year	$ 291,970	$ 131,970	$ 98,552	$ (33,418)

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 168,386	$ 168,386	$ 202,547	$ 34,161
Investment Earnings	2,000	2,000	(40)	(2,040)
Miscellaneous	2,500	2,500	2,500	-
Total Revenues	172,886	172,886	205,007	32,121
EXPENDITURES				
Current:				
Highways and Streets	5,111	5,611	5,111	500
Total Expenditures	5,111	5,611	5,111	500
Net Change in Fund Balances	167,775	167,275	199,896	32,621
Fund Balance, Beginning of Year	203,748	203,748	203,748	-
Fund Balance, End of Year	$ 371,523	$ 371,023	$ 403,644	$ 32,621

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 35,000	$ 35,000	$ 37,948	$ 2,948
Investment Earnings			(602)	(602)
Total Revenues	35,000	35,000	37,346	2,346
EXPENDITURES				
Current:				
Community Services	10,000	10,000	1,567	8,433
Capital Outlay		24,732	36	24,696
Total Expenditures	10,000	34,732	1,603	33,129
Net Change in Fund Balances	25,000	268	35,743	35,475
Fund Balance, Beginning of Year	102,751	102,751	102,751	-
Fund Balance, End of Year	$ 127,751	$ 103,019	$ 138,494	$ 35,475

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Noncapital Grants Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Subventions and Grants	$ 130,000	$ 130,000	$ 100,000	$ (30,000)
Investment Earnings	2,000	2,000	(8,303)	(10,303)
Total Revenues	132,000	132,000	91,697	(40,303)
EXPENDITURES				
Current:				
Public Safety				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	132,000	132,000	91,697	(40,303)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(320,000)	(668,106)	(515,373)	152,733
Total Other Financing Sources (Uses)	(320,000)	(668,106)	(515,373)	152,733
Net Change in Fund Balances	(188,000)	(536,106)	(423,676)	112,430
Fund Balance, Beginning of Year	616,787	616,787	616,787	-
Fund Balance, End of Year	$ 428,787	$ 80,681	$ 193,111	$ 112,430

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 500	$ 500	$ (296)	$ (796)
Miscellaneous	16,500	16,500	5,675	(10,825)
Total Revenues	17,000	17,000	5,379	(11,621)
EXPENDITURES				
Current:				
Housing	37,491	714,741	49,791	664,950
Total Expenditures	37,491	714,741	49,791	664,950
Excess (Deficiency) of Revenues over Expenditures	(20,491)	(697,741)	(44,412)	653,329
OTHER FINANCING SOURCES (USES)				
Transfers In	10,000	687,250	62,871	(624,379)
Total Other Financing Sources (Uses)	10,000	687,250	62,871	(624,379)
Net Change in Fund Balance	(10,491)	(10,491)	18,459	28,950
Fund Balance, Beginning of Year	24,462	24,462	24,462	-
Fund Balance, End of Year	$ 13,971	$ 13,971	$ 42,921	$ 28,950

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Public Facilities Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ -	$ -	$ (8)	$ (8)
Total Revenues	-	-	(8)	(8)
Excess (Deficiency) of Revenues over Expenditures	-	-	(8)	(8)
Net Change in Fund Balances	-	-	(8)	(8)
Fund Balance, Beginning of Year	883	883	883	-
Fund Balance, End of Year	$ 883	$ 883	$ 875	$ (8)

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Park Development Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 18,000	$ 18,000	$ (3,442)	$ (21,442)
Charges for Services	30,000	30,000	141,615	111,615
Total Revenues	48,000	48,000	138,173	90,173
EXPENDITURES				
Current:				
Community Services	4,483	4,483	4,482	1
Capital Outlay		376,094	24,834	351,260
Total Expenditures	4,483	380,577	29,316	351,261
Excess (Deficiency) of Revenues over Expenditures	43,517	(332,577)	108,857	441,434
OTHER FINANCING SOURCES (USES)				
Transfers Out		(12,400)	(12,400)	-
Total Other Financing Sources (Uses)	-	(12,400)	(12,400)	-
Net Change in Fund Balances	43,517	(344,977)	96,457	441,434
Fund Balance, Beginning of Year	497,793	497,793	497,793	-
Fund Balance, End of Year	$ 541,310	$ 152,816	$ 594,250	$ 441,434

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Circulation Improvement Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 7,000	$ 7,000	$ 3,745	$ (3,255)
Miscellaneous			106,585	106,585
Total Revenues	7,000	7,000	110,330	103,330
EXPENDITURES				
Capital Outlay		90,000		90,000
Total Expenditures	-	90,000	-	90,000
Excess (Deficiency) of Revenues over Expenditures	7,000	(83,000)	110,330	193,330
OTHER FINANCING SOURCES (USES)				
Transfers Out		(260,975)	(1,266)	259,709
Total Other Financing Sources (Uses)	-	(260,975)	(1,266)	259,709
Net Change in Fund Balances	7,000	(343,975)	109,064	453,039
Fund Balance, Beginning of Year	471,026	471,026	471,026	-
Fund Balance, End of Year	$ 478,026	$ 127,051	$ 580,090	$ 453,039

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Impact Fees Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ 10,000	$ 10,000	$ 15,902	$ 5,902
Charges for Services			202,322	202,322
Total Revenues	10,000	10,000	218,224	208,224
EXPENDITURES				
Current:				
Community Services	1,286	1,286	1,286	-
Total Expenditures	1,286	1,286	1,286	-
Excess (Deficiency) of Revenues over Expenditures	8,714	8,714	216,938	208,224
OTHER FINANCING SOURCES (USES)				
Transfers Out		(616,983)	(916)	616,067
Total Other Financing Sources (Uses)	-	(616,983)	(916)	616,067
Net Change in Fund Balances	8,714	(608,269)	216,022	824,291
Fund Balance, Beginning of Year	810,639	810,639	810,639	-
Fund Balance, End of Year	$ 819,353	$ 202,370	$ 1,026,661	$ 824,291

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ (1,607)	$ (1,607)
Total Revenues	-	-	(1,607)	(1,607)
EXPENDITURES				
Current:				
Community Services				-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	-	(1,607)	(1,607)
Net Change in Fund Balances	-	-	(1,607)	(1,607)
Fund Balance, Beginning of Year	63,789	63,789	63,789	-
Fund Balance, End of Year	$ 63,789	$ 63,789	$ 62,182	$ (1,607)

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Underground Utility Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ (158)	$ (158)
Total Revenues	-	-	(158)	(158)
Excess (Deficiency) of Revenues over Expenditures	-	-	(158)	(158)
Net Change in Fund Balances	-	-	(158)	(158)
Fund Balance, Beginning of Year	16,624	16,624	16,624	-
Fund Balance, End of Year	$ 16,624	$ 16,624	$ 16,466	$ (158)

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ 11	$ 11
Total Revenues	-	-	11	11
EXPENDITURES				
Debt Service:				
Principal	288,307	288,307	288,307	-
Interest and Fiscal Charges	425,202	425,201	422,302	2,899
Total Expenditures	713,509	713,508	710,609	2,899
Excess (Deficiency) of Revenues over Expenditures	(713,509)	(713,508)	(710,598)	2,910
OTHER FINANCING SOURCES (USES)				
Transfers In	713,509	633,517	710,566	77,049
Total Other Financing Sources (Uses)	713,509	633,517	710,566	77,049
Net Change in Fund Balances	-	(79,991)	(32)	79,959
Fund Balance, Beginning of Year	37	37	37	-
Fund Balance, End of Year	$ 37	$ (79,954)	$ 5	$ 79,959

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$ -	$ -	$ (8)	$ (8)
Total Revenues	-	-	(8)	(8)
Net Change in Fund Balances	-	-	(8)	(8)
Fund Balance, Beginning of Year	744	744	744	-
Fund Balance, End of Year	$ 744	$ 744	$ 736	$ (8)

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ (971)	$ (971)
Total Revenues	-	-	(971)	(971)
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)	(971)	84,029
Fund Balance, Beginning of Year	101,691	101,691	101,691	-
Fund Balance, End of Year	$ 101,691	$ 16,691	$ 100,720	$ 84,029

City of Pismo Beach, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Reassessment District Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Investment Earnings	$	$	$ (130)	$ (130)
Total Revenues	-	-	(130)	(130)
Net Change in Fund Balances	-	-	(130)	(130)
Fund Balance, Beginning of Year	13,575	13,575	13,575	-
Fund Balance, End of Year	$ 13,575	$ 13,575	$ 13,445	$ (130)

NON-MAJOR PROPRIETARY FUNDS

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

City of Pismo Beach, California
Combining Statement of Fund Net Position
Non-major Proprietary Funds
June 30, 2021

	Enterprise	Total Non-major Enterprise Funds
	Transit	
ASSETS		
Current Assets:		
Cash and Investments	$ 30,161	$ 30,161
Accrued Interest Receivable	12	12
Total Assets	30,173	30,173
LIABILITIES		
Current Liabilities:		
Accounts Payable	272	272
Total Liabilities	272	272
NET POSITION		
Unrestricted	29,901	29,901
Total Net Position	$ 29,901	$ 29,901

City of Pismo Beach, California
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Non-major Proprietary Funds
Year Ended June 30, 2021

	Enterprise	Total Non-major Enterprise Funds
	Transit	
OPERATING REVENUES		
Miscellaneous	$ 10,000	$ 10,000
Total Operating Revenues	10,000	10,000
OPERATING EXPENSES		
Services and Supplies	1,871	1,871
Total Operating Expenses	1,871	1,871
Operating Income	8,129	8,129
NONOPERATING REVENUES (EXPENSES)		
Investment Earnings	(140)	(140)
Total Nonoperating Revenues (Expenses)	(140)	(140)
Change in Net Position	7,989	7,989
Total Net Position - Beginning of Year	21,912	21,912
Total Net Position - End of Year	$ 29,901	$ 29,901

City of Pismo Beach, California
Combining Statement of Cash Flows
Non-major Proprietary Funds
Year Ended June 30, 2021

	Enterprise	Total Non-major Enterprise
	Transit	Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	$ 10,000	$ 10,000
Payments to Suppliers for Goods and Services	(1,735)	(1,735)
Payments to Employees for Wages and Benefits		-
Net Cash Provided by (Used for) Operating Activities	8,265	8,265
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfers to Other Funds		-
Net Cash Provided by (Used for) Noncapital Financing	-	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Purchase of Capital Assets		-
Net Cash Provided by (Used for) Capital and Related Financing Activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on Investments	(72)	(72)
Net Cash Provided by (Used for) Investing Activities	(72)	(72)
Net Change in Cash and Cash Equivalents	8,193	8,193
Cash and Cash Equivalents - Beginning of Year	21,968	21,968
Cash and Cash Equivalents - End of Year	$ 30,161	$ 30,161

Continued

City of Pismo Beach, California
Combining Statement of Cash Flows - Continued
Non-major Proprietary Funds
Year Ended June 30, 2021

	Enterprise	Total Non-major Enterprise Funds
	Transit	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	$ 8,129	$ 8,129
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:		
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:		
Accounts Payable	136	136
Net Cash Provided by Operating Activities	$ 8,265	$ 8,265

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, 2021

	Technology Service Fund	Motor Vehicle Fund	Total
ASSETS			
Current Assets:			
Cash and Investments	$ 107,100	$ 2,212,475	$ 2,319,575
Accrued Interest Receivable	64	851	915
Advances from Other Funds		2,288,811	2,288,811
Total Current Assets	107,164	4,502,137	4,609,301
Capital Assets:			
Vehicles		5,080,647	5,080,647
Equipment	205,585	638,364	843,949
Total Capital Assets	205,585	5,719,011	5,924,596
Less Accumulated Depreciation	(121,810)	(3,435,676)	(3,557,486)
Capital Assets, Net of Accumulated Depreciation	83,775	2,283,335	2,367,110
Total Assets	190,939	6,785,472	6,976,411
LIABILITIES			
Current Liabilities:			
Accounts Payable	90,071	46,660	136,731
Accrued Liabilities	3,344	2,542	5,886
Current Portion of Compensated Absences	2,815	2,311	5,126
Total Current Liabilities	96,230	51,513	147,743
Noncurrent Liabilities			
Compensated Absences, Net of Current Portion	8,446	6,932	15,378
Total Noncurrent Liabilities	8,446	6,932	15,378
Total Liabilities	104,676	58,445	163,121
NET POSITION			
Net Investment in Capital Assets	83,775	2,283,335	2,367,110
Unrestricted	2,488	4,443,692	4,446,180
Total Net Position	$ 86,263	$ 6,727,027	$ 6,813,290

City of Pismo Beach, California
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
Year Ended June 30, 2021

	Technology Service Fund	Motor Vehicle Fund	Total
OPERATING REVENUES			
Service Fees	$ 716,046	$ 480,267	$ 1,196,313
Total Operating Revenues	716,046	480,267	1,196,313
OPERATING EXPENSES			
Salaries and Benefits	157,934	137,134	295,068
Services and Supplies	608,112	351,647	959,759
Depreciation and Amortization	32,493	415,890	448,383
Total Operating Expenses	798,539	904,671	1,703,210
Operating Income (Loss)	(82,493)	(424,404)	(506,897)
NON-OPERATING REVENUES (EXPENSES)			
Grant Revenues		1,579	1,579
Gain (Loss) on Disposal of Capital Assets		13,315	13,315
Investment Earnings	1,067	48,435	49,502
Total Non-operating Revenues (Expenses)	1,067	63,329	64,396
Net Income Before Transfers	(81,426)	(361,075)	(442,501)
TRANSFERS			
Transfers In	73,055	829,311	902,366
Transfers Out		(5,556)	(5,556)
Total Transfers	73,055	823,755	896,810
Change in Net Position	(8,371)	462,680	454,309
Total Net Position - Beginning of Year	94,634	6,264,347	6,358,981
Total Net Position - End of Year	$ 86,263	$ 6,727,027	$ 6,813,290

City of Pismo Beach, California
Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2021

	Internal Service Funds		
	Technology Service Fund	Motor Vehicle Fund	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Other Funds for Services	$ 716,046	$ 553,565	$ 1,269,611
Payments to Suppliers for Goods and Services	(540,559)	(331,598)	(872,157)
Payments to Employees for Wages and Benefits	(152,302)	(139,131)	(291,433)
Net Cash Provided by (Used for) Operating Activities	23,185	82,836	106,021
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Advances to Other Funds		992,980	992,980
Transfers from Other Funds	73,055	823,755	896,810
Net Cash Provided by (Used for) Noncapital Financing	73,055	1,816,735	1,889,790
CASH FLOWS FROM FINANCING ACTIVITIES			
Purchase of Capital Assets	(22,563)	(164,750)	(187,313)
Net Cash Provided by (Used for) Capital and Related Financing Activities	(22,563)	(164,750)	(187,313)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	1,078	48,409	49,487
Net Cash Provided by (Used for) Investing Activities	1,078	48,409	49,487
Net Change in Cash and Cash Equivalents	74,755	1,783,230	1,857,985
Cash and Cash Equivalents - Beginning of Year	32,345	429,245	461,590
Cash and Cash Equivalents - End of Year	$ 107,100	$ 2,212,475	$ 2,319,575

Continued

City of Pismo Beach, California
Combining Statement of Cash Flows - Continued
Internal Service Funds
Year Ended June 30, 2021

	Internal Service Funds		Total Nonmajor Enterprise Funds
	Technology Service Fund	Motor Vehicle Fund	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	$ (82,493)	$ (424,404)	$ (506,897)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Amortization	32,493	415,890	448,383
Change in Assets, Deferred Outflows of Resources, Liabilities and Deferred Inflows of Resources:			
Accounts Receivables		73,298	73,298
Accounts Payable	67,553	20,049	87,602
Accrued Liabilities	(670)	(2,017)	(2,687)
Compensated Absences	6,302	20	6,322
Net Cash Provided by Operating Activities	$ 23,185	$ 82,836	$ 106,021

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Statistical Section

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

	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	$ 41,532,098	$ 41,657,581	$ 40,197,149	$ 39,251,227
Restricted	4,580,838	3,157,166	4,861,886	4,184,820
Unrestricted	14,033,568	15,577,727	18,566,914	10,069,411
Total governmental activities net position	$ 60,146,504	$ 60,392,474	$ 63,625,949	$ 53,505,458
Business-type activities:				
Net investment in capital assets	$ 14,168,786	$ 18,715,142	$ 18,963,130	$ 20,129,677
Restricted	1,046,950	979,157	482,957	1,501,066
Unrestricted	11,754,782	9,608,168	11,634,062	12,561,208
Total business-type activities net position	$ 26,970,518	$ 29,302,467	$ 31,080,149	$ 34,191,951
Primary government (City wide totals):				
Net investment in capital assets	$ 55,700,884	$ 60,372,723	$ 59,160,279	$ 59,380,904
Restricted	5,627,788	4,136,323	5,344,843	5,685,886
Unrestricted	25,788,350	25,185,895	30,200,976	22,630,619
Total primary government net position	$ 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	2021
$ 40,900,410	$ 42,378,253	$ 37,034,179	$ 43,356,000	$ 68,744,732	$ 72,426,707
6,702,558	8,284,649	7,953,098	5,980,066	5,367,307	6,338,982
14,455,616	10,904,295	19,502,567	20,263,916	12,400,117	22,029,274
$ 62,058,584	$ 61,567,197	$ 64,489,844	$ 69,599,982	$ 86,512,156	$ 100,794,963
$ 20,011,697	$ 22,281,718	$ 29,967,919	$ 35,565,718	$ 41,209,062	$ 41,630,914
1,989,793	763,188	7,396,315	3,485,309	2,291,691	2,291,691
14,105,083	23,790,177	12,917,394	16,783,439	15,707,406	19,162,503
$ 36,106,573	$ 46,835,083	$ 50,281,628	$ 55,834,466	$ 59,208,159	$ 63,085,108
$ 60,912,107	$ 64,659,971	$ 67,002,098	$ 78,921,718	$ 109,953,794	$ 114,057,621
8,692,351	9,047,837	15,349,413	9,465,375	7,658,998	8,630,673
28,560,699	34,694,472	32,419,961	37,047,355	28,107,523	41,191,777
$ 98,165,157	$ 108,402,280	$ 114,771,472	$ 125,434,448	$ 145,720,315	$ 163,880,071

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

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

2016	2017	2018	2019	2020	2021
$ 6,478,517	$ 6,138,982	$ 8,682,523	$ 7,386,249	$ 8,839,242	$ 7,758,082
4,415,960	5,057,206	5,524,313	6,886,401	7,320,891	6,996,279
2,300,397	2,404,407	2,273,823	2,464,794	2,904,909	2,473,929
2,191,332	2,165,762	3,538,379	4,139,918	4,975,583	4,428,749
1,894,967	2,807,486	758,733	766,752	1,039,932	1,045,069
1,730,536	1,575,249	2,184,612	1,750,512	2,204,009	2,271,402
5,172	9,779	141,952	148,525	66,287	63,831
129,590	149,699	424,283	437,597	427,879	416,148
19,146,471	20,308,570	23,528,618	23,980,748	27,778,732	25,453,489
5,411,932	5,130,481	5,627,557	5,612,129	6,184,516	5,550,098
3,218,792	3,543,794	2,988,446	3,490,726	3,673,374	4,282,686
74,525	106,954	94,835	178,397	307,658	238,868
584,809	412,831	522,958	682,449	509,680	712,764
8,915	10,321	7,740	2,460	1,714	1,871
9,298,973	9,204,381	9,241,536	9,966,161	10,676,942	10,786,287
$ 28,445,444	$ 29,512,951	$ 32,770,154	$ 33,946,909	$ 38,455,674	$ 36,239,776
$ 1,996,898	$ 2,082,125	$ 2,141,024	$ 2,537,482	$ 3,180,616	$ 4,140,043
99,422	123,365	147,488	222,270	134,092	237,362
110,111	73,061	42,794	97,210	40,223	80,291
1,924,604	2,397,389	851,257	1,008,830	831,871	1,134,589
232,322	163,015	7,663	57,936	13,254	2,500
808,849	438,089	309,107	446,437	382,976	439,627
1,366,649	543,889	92,635	60,724	277,095	270,998
720,505	494,291	436,647	2,005,434	2,628,176	1,997,917
179,020	803,852	4,079,117	2,514,943	15,278,174	3,594,786
7,438,380	7,119,076	8,107,732	8,951,266	22,766,477	11,898,113

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

	2012	2013	2014	2015
Business-type activities:				
Charges for services:				
Water	$ 3,711,537	$ 3,459,033	$ 3,920,594	$ 3,817,994
Wastewater	3,537,357	3,572,531	3,848,743	5,065,797
Pier	13,361	14,024	14,105	14,925
Parking	567,892	515,675	551,567	566,370
Transit	-	6,505	8,103	18,016
Operating grants and contributions	-	-	-	-
Capital grants and contributions	31,700	-	-	-
Total business-type activities programs revenues	7,861,847	7,567,768	8,343,112	9,483,102
Total City government program revenues	$ 12,842,075	$ 11,389,772	$ 13,695,945	$ 16,174,811
Net Revenues (Expenses):				
Governmental activities	$ (14,160,472)	$ (16,142,691)	$ (14,151,532)	$ (14,270,781)
Business-type activities	88,278	(181,641)	153,483	1,214,099
Total City government	$ (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	$ 3,763,419	$ 4,015,999	$ 4,193,186	$ 4,392,370
Incremental property taxes	172,829	-	-	-
Sales taxes	3,511,091	3,905,814	4,104,284	4,497,958
Transient occupancy taxes	6,931,197	7,279,501	7,988,237	8,682,119
Other taxes	778,402	848,095	863,698	890,811
Investment earnings	233,627	137,101	142,180	205,281
Miscellaneous	-	-	-	64,428
Transfers	143,770	26,409	93,422	(696,140)
Extraordinary item - RDA	(1,692,529)	-	-	-
Total governmental activities	13,841,806	16,212,919	17,385,007	18,036,827
Business-type activities				
Special Water Taxes	1,291,559	1,543,588	1,717,621	2,672,840
Investment Earnings	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-
Other Revenue	-	-	-	-
Transfers	(143,770)	(26,409)	(93,422)	696,140
Total business-type activities	1,147,789	1,517,179	1,624,199	3,368,980
Total City government	$ 14,989,595	$ 17,730,098	$ 19,009,206	$ 21,405,807
Change in net position:				
Governmental activities	$ (318,666)	$ 70,228	$ 3,233,475	$ 3,766,046
Business-type activities	1,236,067	1,335,538	1,777,682	4,583,079
Total City government	$ 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	2021
$ 4,709,473	$ 5,448,798	$ 4,849,034	$ 4,382,106	$ 4,729,724	$ 5,360,590
4,633,274	4,765,561	5,047,984	5,121,062	5,020,653	5,478,360
15,904	37,071	24,045	12,938	3,300	44,469
644,922	816,689	763,416	1,142,142	968,246	2,655,833
10,539	15,002	10,000	-	-	10,000
-	-	-	-	-	
31,850	-	-	432,811	-	
10,045,962	11,083,121	10,694,479	11,091,059	10,721,923	13,549,252
$ 17,484,342	$ 18,202,197	$ 18,802,211	$ 20,042,325	$ 33,488,400	$ 25,447,365
$ (11,708,091)	$ (13,189,494)	$ (15,420,886)	$ (15,029,482)	$ (5,012,255)	$ (13,555,376)
746,989	1,878,740	1,452,943	1,124,898	44,981	2,762,965
$ (10,961,102)	$ (11,310,754)	$ (13,967,943)	$ (13,904,584)	$ (4,967,274)	$ (10,792,411)
$ 4,662,304	$ 5,054,866	$ 5,334,500	$ 5,619,427	$ 5,935,388	$ 6,220,595
-	-			-	
4,485,779	4,433,756	4,689,005	4,815,640	4,537,068	5,408,109
9,199,947	9,330,651	10,039,921	10,498,160	9,395,523	14,209,579
915,610	1,045,733	976,359	1,000,717	1,041,314	1,157,391
397,199	168,833	306,056	994,991	1,091,391	242,216
74,243	227,618	37,638	113,048	50,731	373,222
(71,219)	(7,563,349)	(601,476)	(2,902,363)	(126,986)	227,071
-	-	-	-	-	
19,663,863	12,698,108	20,782,003	20,139,620	21,924,429	27,838,183
1,266,322	1,286,422	1,320,604	1,362,579	1,398,622	1,425,781
-	-	(26,137)	815,787	753,104	(84,726)
-	-	240,120	(652,789)		
-	-	46,948		1,050,000	
71,219	7,563,349	601,476	2,902,363	126,986	(227,071)
1,337,541	8,849,771	2,183,011	4,427,940	3,328,712	1,113,984
$ 21,001,404	$ 21,547,879	$ 22,965,014	$ 24,567,560	$ 25,253,141	$ 28,952,167
$ 7,955,772	$ (491,386)	$ 5,361,117	$ 5,110,138	$ 16,912,174	$ 14,282,807
2,084,530	10,728,511	3,635,954	5,552,838	3,373,693	3,876,949
$ 10,040,302	$ 10,237,125	$ 8,997,071	$ 10,662,976	$ 20,285,867	$ 18,159,756

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

	2012	2013	2014	2015
General fund:				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	462,005	965,312	88,805	37,096
Restricted	-	-	-	-
Committed	141,756	204,139	9,592,749	8,258,692
Assigned	7,665,163	6,103,064	-	-
Unassigned	2,141,222	3,361,546	4,825,898	7,346,781
Total general fund	10,410,146	10,634,061	14,507,452	15,642,569
All other governmental funds:				
Reserved	-	-	-	-
Unreserved reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Nonspendable	1,657,235	1,697,235	1,121,826	1,086,826
Restricted	2,856,132	3,135,353	4,201,623	4,184,820
Committed	-	-	288,953	895,777
Assigned	276,240	236,068	-	-
Unassigned	(1,639,658)	(1,635,422)	(426,563)	-
Total all other governmental funds	3,149,949	3,433,234	5,185,839	6,167,423
Total all governmental funds	$ 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	2021
$ -	$ -	$ -	$ -	$ -	
-	-	-	-	-	
37,292	43,026	41,262	1,155,945	11,021	44,906
-	-	-	-		
13,676,510	13,651,916	14,835,873	14,332,834	6,816,529	6,684,881
-		403,227	1,114,527	6,209,614	6,687,765
5,398,701	7,787,769	7,170,465	7,763,396	8,405,679	17,110,145
19,112,503	21,482,711	22,450,827	24,366,702	21,442,843	30,527,697
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
-	-	-	-	-	
1,086,826	-	-	-	-	-
6,702,558	5,766,454	7,953,098	5,980,066	5,367,307	6,338,982
41,923	2,344,205	2,065,945	1,059,306	1,233,770	809,178
622,145	255,176	1,435,396	1,235,290	1,044,500	947,438
-	-	-	-	(2,935,590)	(1,349,310)
8,453,452	8,365,835	11,454,439	8,274,662	4,709,987	6,746,288
$ 27,565,955	$ 29,848,546	$ 33,905,266	$ 32,641,364	$ 26,152,830	$ 37,273,985

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

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

2016	2017	2018	2019	2020	2021
$ 19,261	$ 19,763	$ 21,016	$ 21,897	$ 20,871	$ 26,958
1,918	2,423	895	1,042	839	1,137
56	43	55	68	49	47
2,588	1,318	435	638	630	969
920	933	1,002	1,516	1,878	2,704
940	1,402	787	2,470	3,448	5,063
420	333	474	1,151	1,244	373
959	1,101	1,102	1,671	2,911	1,839
27,062	27,316	25,766	30,453	31,870	39,090
6,197	6,026	8,445	6,912	7,490	6,445
7,278	7,942	8,564	9,038	8,972	8,734
4,468	4,746	4,812	4,691	5,294	5,236
2,320	2,570	2,013	6,997	15,027	6,174
-		86		-	
310	3,040	270	257	272	288
131	160	344	444	434	422
20,704	24,484	24,534	28,339	37,489	27,299
6,358	2,832	1,232	2,114	(5,619)	11,791
-	7,876	4,062		-	
-	-	-		-	
-	-	-	3	-	
2,240	5,498	2,984	5,659	12,215	3,801
(2,842)	(13,923)	(4,222)	(9,040)	(13,084)	(4,471)
(602)	(549)	2,824	(3,378)	(869)	(670)
-	-	-	-	-	-
$ 5,756	$ 2,283	$ 4,056	$ (1,264)	$ (6,488)	$ 11,121
2.40%	14.60%	2.74%	3.28%	3.14%	3.36%

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			
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%
2020-2021	3,721,349	51,815	3,773,164	1.00%	9,377,394	40.24%

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
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%
2020-2021	1.00%	0.00%	1.00%	0.1157%	0.0100%	1.1257%

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)

2021

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Vespera Pismo Beach Holdings LLC	$ 45,522	1	1.21%
Core Pismo, LLC	43,252	2	1.15%
Pismo Beach Mobile Home Park	42,154	3	1.12%
Susan Darosa	38,704	4	1.03%
Prime Outlets at Pismo Beach	32,515	5	0.86%
SCM Pismo Beach Hotel LLC	25,749	6	0.68%
Spalding G Wathen Inc	21,862	7	0.58%
Castleback Pismo Beach Owner LLC	21,169	8	0.56%
Pismo Coast Plaza LLC	16,734	9	0.44%
Cliffs Resort LLC	16,705	10	0.44%
Total	$ 304,366		8.07%

2020

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Pismo Beach Mobile Home Park	$ 38,221	1	1.07%
WM Pismo Beach Holdings LLC	37,917	2	1.06%
Core Pismo, LLC	36,293	3	1.02%
Prime Outlets at Pismo Beach	31,882	4	0.89%
SCM Pismo Beach Hotel LLC	25,264	5	0.71%
Pismo Beach Hotel Investments LLC	22,995	6	0.64%
Spalding G Wathen Inc	21,433	7	0.60%
Castleback Pismo Beach Owner LLC	17,923	8	0.50%
Cliffs Resort LLC	16,919	9	0.47%
Pismo Coast Plaza LLC	16,405	10	0.46%
Total	$ 265,252		7.43%

2019

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Katelynn Nicole Sawyer	$ 34,822	1	1.04%
Prime Outlets of Pismo Beach	31,236	2	0.93%
Core Pismo, LLC	25,627	3	0.77%
Spalding G. Wathen, Inc.	21,013	4	0.63%
Castleback Pismo Beach	17,589	5	0.53%
Cliffs Resort, LLC	16,095	6	0.48%
Pismo Coast Plaza, LLC	16,084	7	0.48%
Pismo Shore Cliff, Inc.	15,691	8	0.47%
Heron Crest Development	15,601	9	0.47%
Henry F. Myers Trust	14,230	10	0.43%
Total	$ 207,988		6.21%

2018

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Pismo Beach Mobile Home Park	$ 33,168	1	1.05%
Prime Outlets of Pismo Beach	30,624	2	0.97%
Core Pismo, LLC	25,142	3	0.79%
Spalding G. Wathen, Inc.	20,601	4	0.65%
Castleback Pismo Beach	17,262	5	0.54%
Cliffs Resort, LLC	16,321	6	0.51%
Heron Crest Development	15,950	7	0.50%
Pismo Coast Plaza, LLC	15,769	8	0.50%
Pismo Shore Cliff, Inc.	15,393	9	0.49%
Henry F. Myers Trust	13,951	10	0.44%
Total	$ 204,181		6.44%

2017

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Pismo Beach Mobile Home Park	$ 30,394	1	1.02%
Prime Outlets of Pismo Beach	30,032	2	1.01%
Core Pismo, LLC	24,667	3	0.83%
Spalding G. Wathen, Inc.	20,197	4	0.68%
Castleback Pismo Beach	16,941	5	0.57%
Heron Crest Development	16,278	6	0.55%
Cliffs Resort, LLC	16,031	7	0.54%
Pismo Coast Plaza, LLC	15,459	8	0.52%
Pismo Shore Cliff, Inc.	15,101	9	0.51%
Henry F. Myers Trust	13,678	10	0.46%
Total	$ 198,778		6.67%

2016

Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Martin Resorts, Inc.	$ 34,772	1	1.26%
Prime Outlets of Pismo Beach	29,576	2	1.07%
Pismo Beach Mobilehome Park	27,500	3	0.99%
Core Pismo, LLC	24,238	4	0.88%
Spalding G. Wathen, Inc.	19,893	5	0.72%
Castleblack Pismo Beach	17,300	6	0.62%
Heron Crest Development	16,033	7	0.58%
Cliffs Resort, LLC	15,291	8	0.55%
Pismo Coast Plaza, LLC	15,227	9	0.55%
Henry F. Myers Trust	13,679	10	0.49%
Total	$ 213,509		7.71%

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

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

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
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%
2020-2021	6,220,595	6,220,595	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.

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
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
2020-2021	358,766,100	7.75%	1.00%	0.50%	5,408,111

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)

2020

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 75,240	1	26.57%
All Other Outlets	68,847	2	24.31%
Other Retail Stores	67,192	3	23.73%
Apparel Stores	51,489	4	18.18%
Service Stations	20,413	5	7.21%
Food Stores	-	6	0.00%
Total	$ 283,181		100.00%

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%

Source: HDL Reports.
Changed years from fiscal to calendar in FY 2011 report.

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

2021	2020	2019	2018
Arco	Arco	7 Eleven	Arco
Brads Restaurant	Brads Restaurant	Arco	Brads Restaurant
California Fresh	California Fresh	California Fresh	California Fresh
Calvin Klein	Calvin Klein	Calvin Klein	Calvin Klein
Carters	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
Cool Cat Café	CVS Pharmacy	Dolphin Bay Lido Restaurant	CVS Pharmacy
Cracked Crab	Giuseppes Cucina	F Mclintocks Saloon	F Mclintocks Saloon
CVS	Levis Outlet	General Electric	Levis Outlet
Giuseppes Cucina	McDonalds	Giuseppes Cucina	Miller 76
Hoagies	Miller 76	Miller 76	Nike
McDonalds	Nike	Nike	Orchard Supply Hardware
Miller 76	Panchos Surf Shop	Norman Wright Duckworth	Oshkosh B Gosh
Nike	Ralph Lauren	Orchard Supply Hardware	Panchos Surf Shop
Panchos Surf Shop	Rite Aid	Pacific Coast RV	Ralph Lauren
Ross	Ross	Panchos Surf Shop	Ross
Sky River RV	Sky River RV	Ross	Sea Venture Resort
Splash Café	Sky River RV	Shell	Sky River RV
Spyglass Shell	Splash Café	Sky River RV	Splash Café
Teenie Wahine	Spyglass Shell	Splash Café	Spyglass Shell
Vans	Vans	Spyglass Shell	Vans
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

2017	2016	2015	2014
Arco	Arco	Arco	Arco
Brads Restaurant	Brads Restaurant	Brads Restaurant	Brads Restaurant
California Fresh	California Fresh	California Fresh	California Fresh
Calvin Klein	Calvin Klein	Calvin Klein	Calvin Klein
Chevron	Cliffs at Shell Beach	Cliffs at Shell Beach	Cliffs at Shell Beach
Cliffs at Shell Beach	Coach	Coach	Coach
Coach	Cool Cat Café	Cool Cat Café	Cracked Crab
Cracked Crab	Cracked Crab	Cracked Crab	CVS Pharmacy
CVS Pharmacy	CVS Pharmacy	CVS Pharmacy	Dolphin Bay Hotel & Lido Rest.
Dolphin Bay Lido Restaurant	Dolphin Bay Hotel & Lido Rest.	Dolphin Bay Hotel & Lido Rest.	McLintocks
F Mclintocks Saloon	F Mclintocks Saloon	F Mclintocks Saloon	Five Cities Chevron
Levis Outlet	Five Cities Chevron	Five Cities Chevron	Giuseppes Cucina
Miller 76	Giuseppes Cucina	Giuseppes Cucina	Miller 76
Nike	Miller 76	Miller 76	Nike Retail
Orchard Supply Hardware	Nike Retail	Nike Retail	Orchard Supply Hardware #1
Oshkosh B Gosh	Orchard Supply Hardware	Orchard Supply Hardware	Orchard Supply Hardware #2
Ralph Lauren	Oshkosh B Gosh	Oshkosh B Gosh	Oshkosh B Gosh
Rite Aid	Ralph Lauren	Ralph Lauren	Ralph Lauren
Rosas Ristorante Italiano	Rite Aid	Rite Aid	Ross
Ross	Ross	Ross	Shell
Sky River RV	Shell	Shell	Sky River RV
Splash Café	Sky River RV	Sky River RV	Splash Café
Spyglass Shell	Splash Café	Splash Café	Spyglass Shell
Ventana Grill	Spyglass Shell	Spyglass Shell	Vans
Wooly's Oyster Loft	Ventana Grill	Ventana Grill	Ventana Grill

Fiscal Year Ended June 30	
2013	**2012**
7 Eleven	7 Eleven
Arco	Arco
Bass Outlet	Bass Outlet
Brads Restaurant	Brads Restaurant
Calvin Klein	Cliffs at Shell Beach
Cliffs at Shell Beach	Coach
Coach	Cracked Crab
Cracked Crab	CVS Pharmacy
CVS Pharmacy	Five Cities Chevron
Dolphin Bay Hotel & Lido Rest.	Giuseppes Cucina
Five Cities Chevron	F Mclintocks Saloon
Giuseppes Cucina	Miller 76
McLintocks	Nike Retail
Miller 76	Orchard Supply Hardware
Nike Retail	Oshkosh B Gosh
Orchard Supply Hardware	Panchos Surf Shop
Oshkosh B Gosh	Pierside Restaurant
Panchos Surf Shop	Polo Ralph Lauren
Ralph Lauren	Ross
Ross	Scolaris
Shell	Shell
Sky River RV	Sky River RV
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
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
7/2020-12/2020	66,970,700	10.00%	6,697,070
1/2021-6/2021	68,295,532	11.00%	7,512,509
2020-2021		**Total**	**14,209,579**

Note:
The transient occupancy tax can only be changed by approval of the voters, and the rate was increased in 1992.
TOT was increased to 11% effective 1/1/2021
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
2011-2012	$ 5,867,792 17	$ 417,423 15
2012-2013	$ 6,165,294 17	$ 411,261 15
2013-2014	$ 6,754,657 17	$ 418,059 12
2014-2015	$ 7,260,482 17	$ 558,564 14
2015-2016	$ 7,711,023 17	$ 591,172 13
2016-2017	$ 7,742,190 17	$ 683,153 15
2017-2018	$ 8,376,655 18	$ 662,911 14
2018-2019	$ 8,756,469 18	$ 662,357 14
2019-2020	$ 7,864,308 19	$ 566,758 14
2020-2021	$ 11,511,733 19	$ 935,793 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
2011-2012	$ 434,233 4	$ 211,749 15
2012-2013	$ 446,792 4	$ 256,154 15
2013-2014	$ 570,224 5	$ 245,297 17
2014-2015	$ 759,673 7	$ 103,400 14
2015-2016	$ 511,432 4	$ 386,320 22
2016-2017	$ 626,374 4	$ 278,934 25
2017-2018	$ 797,455 5	$ 202,901 32
2018-2019	$ 810,687 5	$ 268,647 53
2019-2020	$ 671,690 5	$ 269,855 69
2020-2021	$ 1,171,851 5	$ 557,280 74

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.
Occupancy Data updated in FY 2017.

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			
2021	**2020**	**2019**	**2018**
Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Seacrest Oceanfront Hotel	Cottage Inn	Cottage Inn	Cottage Inn
Vespera on Ocean	Dolphin Bay Hotel	Dolphin Bay Hotel	Dolphin Bay Hotel
Inn at the Pier	Inn at the Pier	Inn at the Pier	Island Hospitality
Dolphin Bay	Island Hospitality	Island Hospitality	Kon Tiki Motel
Pismo Shore Cliff	Pismo Coast Village	Oxford Suites	Oxford Suites
Pismo Coast Village	Pismo Lighthouse Suites	Pismo Coast Village	Pismo Coast Village
Pismo Lighthouse Suites	Pismo Shore Cliff	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Sandcastle Inn	Sandcastle Inn	Pismo Shore Cliff	Seacrest Motel
Cottage Inn	Seacrest Oceanfront Hotel	Seacrest Oceanfront Hotel	Shorecliff Inn

Fiscal Year Ended June 30			
2017	**2016**	**2015**	**2014**
Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn	Dolphin Bay Hotel	Cottage Inn
Dolphin Bay Hotel	Dolphin Bay Hotel	Island Hospitality	Dolphin Bay Hotel
Island Hospitality	Island Hospitality	Kon Tiki Motel	Hilton Garden Inn
Kon Tiki Motel	Kon Tiki Motel	Oxford Suites	Kon Tiki Motel
Oxford Suites	Pismo Coast Village	Pismo Coast Village	Pismo Coast Village
Pismo Coast Village	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Pismo Lighthouse Suites	Sandcastle Inn	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	
2013	**2012**
Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn
Dolphin Bay Hotel	Dolphin Bay Hotel
Hilton Garden Inn	Hilton Garden Inn
Kon Tiki Motel	Kon Tiki Motel
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*
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	-
2020-2021	15.27	4.45	49.41	-

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					
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
2020-2021	$ 2,559,068	$ 1,735,895	$ 74,170	$ 55,222	$ 150,437	$ 4,574,792
	4,519	700	52	42	52	5,365

Wastewater Revenue Concentration Data

Fiscal Year	Class of Customer: Residential	Other Residential	Hotel/Motel	Commercial	Other	Totals
	Revenue in Dollars and Number of Customers					
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
2020-2021	$ 2,591,860	$ 442,983	$ 853,209	$ 765,588	$ 293,554	$ 4,947,194
	4,458	360	39	285	73	5,215

*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			
2021	**2020**	**2019**	**2018**
Pismo Coast Village Inc	Cliffs Shell Beach	Cliffs Shell Beach	Cliffs Shell Beach
Cliffs Shell Beach	Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc
Pismo Beach Mobile Park Inc	Oxford Suites Resort	Motel 6	Kon Tiki
Pismo Lighthouse Suites	Pismo Beach Mobile Park Inc	Oxford Suites Resort	Motel 6
Pismo Dunes Resort Mtr #1	Pismo Coast Village Inc	Pismo Beach Mobile Park Inc	Oxford Suites Resort
Pismo Dunes Resort Mtr #2	Pismo Dunes Resort Mtr #1	Pismo Coast Village Inc	Pismo Beach Mobile Park Inc
Dolphin Bay Hotel Inc	Pismo Dunes Resort Mtr #2	Pismo Dunes Resort Mtr #1	Pismo Coast Village Inc
Seacrest Resort	Pismo Lighthouse Suites	Pismo Dunes Resort Mtr #2	Pismo Lighthouse Suites
Oxford Suites Resort	SCM Pismo Pier Partners, LLC.	Pismo Lighthouse Suites	Seacrest Resort
Shorecliff Lodge	Shorecliff Lodge	Seacrest Resort	Shorecliff Lodge

Fiscal Years Ended June 30			
2017	**2016**	**2015**	**2014**
Cliffs Shell Beach	Cliffs Shell Beach	Cliffs Shell Beach	City of Pismo Beach
Dolphin Bay Hotel Inc	Dolphin Bay Hotel, Inc.	Dolphin Bay Hotel, Inc.	Cliffs Shell Beach
Kon Tiki	Motel 6 Inc.	Kon Tiki	Dolphin Bay Hotel, Inc.
Oxford Suites Resort	Oxford Suites Resort	Motel 6 Inc.	Hilton Garden Inn
Pismo Beach Mobile Park Inc	Pismo Coast Village, Inc.	Oxford Suites Resort	Motel 6 Inc.
Pismo Coast Village Inc	Pismo Lighthouse Suites	Pismo Coast Village, Inc.	Pismo Coast Village, Inc.
Pismo Dunes Travel	Pismo Mobile Hm Pk	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Pismo Lighthouse Suites	Quality Inn	Pismo Mobile Hm Pk	Pismo Mobile Hm Pk
Seacrest Resort	Seacrest Resort	Seacrest Resort	Shorecliff Lodge
Shorecliff Lodge	Shorecliff Lodge	Shorecliff Lodge	Toucan I HOA

Fiscal Years Ended June 30	
2013	**2012**
City of Pismo Beach	Cliffs Shell Beach
Cliffs Shell Beach	Hacienda Del Pismo
Hilton Garden Inn	Kon Tiki
Judkins Middle School-LMUSD	Motel 6 Inc.
Motel 6 Inc.	Oxford Suites Resort
Oxford Suites Resort	Pismo Mobile Hm Pk
Pismo Lighthouse Suites	Pismo Lighthouse Suites
Pismo Mobile Hm Pk	Quality Inn - Pismo Beach
Seacrest Resort	Seacrest Resort
Shorecliff Lodge	Shorecliff Lodge

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

	Governmental Activities			Business-Type Activities			
Fiscal Year	Lease Revenue Bonds	Special Assessment Bonds	Unamortized Bond Premium	Capital Lease Obligations	Lease Revenue Bonds	Unamortized Bond Premium	State of California and Other Loans
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	5,420
2019-2020	10,947	-	172	-	4,085	263	5,410
2020-2021	10,659		166		3,845	243	4,351

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 Financial Statements	
			Population	Per Capita Personal Income
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
21,422	5.24%	2,600	8,239	49,658
20,877	4.28%	2,565	8,139	59,977
19,265	3.87%	2,376	8,108	61,452

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

Fiscal Year	General Bonded Debt Outstanding				Less: Amount Available in Debt Service Funds	Net General Bonded Debt	Ratio of Net General Bonded Debt to Assessed Value	Per Capita
	General Obligation Bonds	Lease Revenue Bonds	Unamortized Bond Premium	Total General Bonded Debt				
2011-2012	-	4,215,000	-	4,215,000	358,548	3,856,452	0.16%	549.19
2012-2013	-	3,940,000	-	3,940,000	354,209	3,585,791	0.15%	510.56
2013-2014	-	3,650,000	-	3,650,000	208,989	3,441,011	0.14%	473.72
2014-2015	-	3,350,000	-	3,350,000	198,426	3,151,574	0.12%	435.74
2015-2016	-	3,040,000	-	3,040,000	199,571	2,840,429	0.10%	371.59
2016-2017	-	7,685,000	190,763	7,875,763	107,797	7,767,966	0.26%	954.99
2017-2018	-	11,475,917	184,609	11,660,526	3,311,265	8,349,261	0.26%	1,416.32
2018-2019	-	11,219,843	178,455	11,398,298	496,569	10,901,729	0.33%	1,383.46
2019-2020	-	10,947,536	172,301	11,119,837	116,047	11,003,790	0.31%	1,366.24
2020-2021	-	10,659,229	166,147	10,825,377	114,906	10,710,471	0.28%	1,335.15

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, 2021

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable		Estimated Share of Overlapping Debt
OVERLAPPING DEBT REPAID WITH PROPERTY TAXES:				
San Luis Obispo County General Fund Obligations	$ 40,128,048	6.250%		$ 2,508,003
San Luis Obispo County Pension Obligations	33,408,380	6.250%		2,088,024
Lucia Mar Unified School District Certificates of Participation	16,535,000	18.553%		3,067,739
TOTAL OVERLAPPING DEBT REPAID WITH PROPERTY TAXES				$ 7,663,766
OVERLAPPING TAX AND ASSESSMENT DEBT:				
San Luis Obispo County Flood Control and Water Conservation District, Zone No. 3	6,540,000	33.408%		2,184,883
San Luis Obispo Community College District	179,945,000	6.224%		11,199,777
San Luis Coastal Unified School District	152,750,000	3.574%		5,459,285
Lucia Mar Unified School District	117,747,539	18.553%		21,845,701
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				$ 40,689,646
CITY DIRECT DEBT - GOVERNMENTAL ONLY:				
City of Pismo Beach General Fund Obligations	10,825,376	100.00%	(2)	$ 10,825,376
TOTAL DIRECT DEBT				**$ 10,825,376**
TOTAL OVERLAPPING DEBT				**$ 48,353,412**
TOTAL DIRECT AND OVERLAPPING DEBT			(3)	**$ 59,178,788**

Ratios to Adjusted Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.08%
Total Direct Debt (City of Pismo Beach)	**0.29%**
Combined Total Debt	1.57%

Note:

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

(2) Includes share of San Luis Obispo County Financing Authority lease revenue bonds ($228,672).

(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

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
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%
2020-2021	141,493,057	-	0%

Legal Debt Margin Calculation for Fiscal Year 2021

Assessed value	$	3,773,148,178
Conversion Percentage (25%)		25%
Adjusted Assessed Valuation		943,287,045
Debt Limit Percentage (15%)		15%
Debt Limit		141,493,057
Less debt applicable to limit:		
General obligation bonds		-
Total debt applicable to limit		-
Legal debt margin	$	141,493,057
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
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	-	-	-	-	-	-	-
2020-2021	-	-	-	-	-	-	-

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
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
2020-2021	5,478,360	-	4,044,704	1,433,656	547,317	61,943	2.35

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
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
2020-2021	5,478,360	-	4,044,704	1,433,656	13,335	1,311	97.88

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
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
2020-2021	5,478,360	-	4,044,704	1,433,656	35,681	6,226	34.21

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
2020-2021	5,478,360	-	4,044,704	1,433,656	29,302	18,949	29.71

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
2020-2021	5,478,360	-	4,044,704	1,433,656	240,000	148,363	3.69

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 Statistics
For the Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
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%
2020-2021	8,108	498,252,816	61,452	5.20%

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, 2021

Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	240	1	6.32%
Pacifica Hotels	235	2	6.18%
Keller-Williams	194	3	5.11%
Custom House Restaurant G	155	4	4.08%
Dolphin Bay Resort	150	5	3.95%
California Fresh Market	130	6	3.42%
City of Pismo Beach	113	7	2.97%
Central Coast California Hos	90	8	2.37%
Vespera	90	9	2.37%
US Postal Service	85	10	2.24%
Total	1,482		39.00%

Fiscal Year Ended June 30, 2020

Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	230	1	5.48%
Keller-Williams	179	2	4.26%
Dolphin Bay Resort	124	3	2.95%
City of Pismo Beach	120	4	2.86%
Martin Resorts	100	5	2.38%
U.S. Postal Service	85	6	2.02%
Sea Venture	74	7	1.76%
Pismo Coast Village	65	8	1.55%
Seacrest	65	9	1.55%
Brad's Restaurant	60	10	1.43%
Total	1,102		26.24%

Fiscal Year Ended June 30, 2019

Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	220	1	5.12%
Dolphin Bay Resort	161	2	3.74%
Keller-Williams	147	3	3.42%
City of Pismo Beach	125	4	2.91%
Martin Resorts	97	5	2.26%
U.S. Postal Service	81	6	1.88%
Sea Venture	80	7	1.86%
Brad's Restaurant	75	8	1.74%
Seacrest	68	9	1.58%
Pismo Coast Village	65	10	1.51%
Total	1,119		26.02%

Fiscal Year Ended June 30, 2018

Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	227	1	5.54%
Dolphin Bay Resort	190	2	4.63%
City of Pismo Beach	135	3	3.29%
Keller-Williams	135	4	3.29%
Martin Resorts	125	5	3.05%
Sea Venture	85	6	2.07%
U.S. Postal Service	69	7	1.68%
Seacrest	67	8	1.63%
Brad's Restaurant	63	9	1.54%
Pismo Coast Village	60	10	1.46%
Total	1,156		28.20%

Fiscal Year Ended June 30, 2017

Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	220	1	5.50%
Dolphin Bay Resort	169	2	4.23%
City of Pismo Beach	129	3	3.23%
Martin Resorts	125	4	3.13%
Keller-Williams	106	5	2.65%
Sea Venture	81	6	2.03%
Brad's Restaurant	67	7	1.68%
Seacrest	63	8	1.58%
Pismo Coast Village	62	9	1.55%
U.S. Postal Service	61	10	1.53%
Total	1,083		27.08%

Fiscal Year Ended June 30, 2016

Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	235	1	5.88%
Dolphin Bay Resort	178	2	4.45%
Martin Resorts	135	3	3.38%
Keller-Williams	110	4	2.75%
City of Pismo Beach	89	5	2.23%
Sea Venture	85	6	2.13%
U.S. Postal Service	82	7	2.05%
Brad's Restaurant	70	8	1.75%
McClintock's	65	9	1.63%
Pismo Coast Village	65	10	1.63%
Total	1,114		27.85%

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

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

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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	1
Public safety:										
Police	33.00	33.00	34.00	34.00	33.85	33.85	33.70	33.70	33.70	33.70
Parking	-	-	-	-	0.15	0.15	1.30	1.30	1.30	1.30
Community Development:										
Planning	4.60	4.60	4.60	4.60	4.60	4.60	4.55	4.55	4.55	4.55
Building	4.20	4.20	4.10	4.10	4.15	4.15	3.15	3.15	3.15	3.15
Recreation	1.20	1.20	1.20	1.20	1.20	1.20	1.15	1.15	1.15	1.15
RDA	-	-	-	-	-	-	-	-	-	-
Parking	1.00	1.00	1.10	1.10	1.05	1.05	0.15	0.15	0.15	0.15
Public Works/Engineering:										
Engineering	3.70	3.70	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Streets and Govt Bldgs	4.78	4.78	3.03	3.03	2.83	2.83	3.78	3.78	3.03	3.03
Park Maintenance/Fac.	7.52	7.52	7.32	7.32	7.17	7.17	7.27	7.27	8.02	9.02
Water:										
Treatment and distribution	5.00	5.00	5.00	5.00	6.70	6.70	5.65	5.65	5.65	5.65
Billing	0.67	0.67	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Wastewater:										
Collection and treatment	8.05	8.05	8.10	8.10	7.80	7.80	7.80	7.80	7.80	7.80
Billing	0.33	0.33	0.50	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	1.00	1.00	1.00	1.00	1.00	1.00
Totals	94.00	94.00	94.00	94.00	95.00	95.00	94.00	94.00	94.00	95.00

Source: City of Pismo Beach payroll records.

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

Function/Program:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Physical arrest	902	873	996	1,116	1,072	1,194	1,235	1,220	1,233	1,742
Traffic violations	2,355	1,769	1,929	1,737	938	996	1,887	2,069	1,609	2,862
Fire:										
Emergency responses	1,022	1,084	1,175	1,265	1,528	1,349	1,355	1,340	1,383	1,460
Fires extinguished	22	25	16	21	26	22	23	21	24	22
Building:										
Building permits issued	213	246	209	290	205	220	185	185	152	385
Other permits issued	455	436	478	956	551	640	533	472	422	179
Public works:										
Miles streets resurfaced	6.03	6.08	-	-	-	2.50	0.50	0.25	0.75	-
Parks and Recreation:										
Number of facility rentals	255	274	216	240	258	258	301	352	277	72
Number of class admissions	1,500	2,000	2,000	3,000	3,500	3,500	3,500	2,956	2,800	2,000
Water:										
Number new connections	20	21	5	20	221	67	12	105	120	30
Daily average water production in MGD	1.78	1.84	1.91	1.64	1.47	1.43	1.59	1.46	1.50	1.60
Daily average water consumption in MGD	1.59	1.63	1.72	1.52	1.27	1.25	1.48	1.34	1.70	1.93
Wastewater:										
Number new connections	6	7	33	53	109	62	23	6	120	39
Daily average treatment in millions gallons(MGD)	1.14	1.07	1.07	1.01	0.95	0.99	0.98	0.98	0.99	0.95

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.
Park and Recreation information for FY 2017, 2018, 2019 updated in FY 2021

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

Function/Program:	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	46	46	46	46	46	46	46	46	46	46
Streetlights	828	828	828	828	842	842	844	844	909	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	55	55	56	56	56	56	56	56	56	56
Number connections	4,584	4,596	4,614	4,718	4,787	4,521	4,575	4,680	4,680	4,882
Maximum plant capacity in millions gallons	2.16	2.16	2.16	2.16	2.16	2.40	2.40	2.40	2.40	2.40
Wastewater:										
Miles of sewers	40	40	40	40	40	40	40	40	40	40
Number connections	4,364	4,377	4,394	4,447	4,562	4,536	4,559	4,565	4,685	4,724
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 2020-21

$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)	2021
5/8"	$30.53
3/4"	$30.53
1"	$46.60
1 ½"	$86.25
2"	$134.73
3"	$271.60
4"	$416.61
6"	$973.76

BI-MONTHLY RESIDENTIAL
FIXED CONSUMPTION CHARGES[1]

Customer Classification	2021
Single Family	$69.49
Multifamily	$43.87
Mobile Home	$30.41

[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 2020-21

$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	2021
Commercial	$8.51
Dual Residential/Restaurant	$12.00
Dual Residential/Commercial	$8.22
Grocery	$15.23
Hotel	$7.06
Hotel w/ Rest.	$11.45
School w/Cafeteria	$7.01
School	$4.51
Shopping Center	$6.10
Shopping Center w/Restaurant	$14.80
Trailer/RV	$3.81
Service Station	$6.82
Restaurant/Bakery	$15.33
Municipal	$5.92

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

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City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2020-21

$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 2020-21

	Customer Name	Sewer Revenues	% of Total
1	Cliffs Shell Beach	$72,322.46	1.42%
2	Pismo Lighthouse Suites	$56,149.14	1.10%
3	Pismo Coast Village	$51,564.05	1.01%
4	Dolphin Bay Hotel	$50,711.91	0.99%
5	Pismo Beach Mobile Home Park	$50,704.29	0.99%
6	Seacrest Resort	$45,806.53	0.90%
7	Shorecliff Lodge	$43,191.55	0.85%
8	Oxford Suites Resort	$36,361.85	0.71%
9	Pismo Dunes Resort - Meter #2	$29,482.81	0.58%
10	Pismo Dunes Resort - Meter #1	$29,034.68	0.57%
	Total	$465,329.27	9.12%
	Other Customers	$4,634,726.22	90.88%
	Total Revenues	$5,100,055.49	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 FY 2020-21
GROSS REVENUES	
Charges for Services	$ 5,100,158
Miscellaneous Revenue	378,202
Interest and Investment Revenues	(89,538)
TOTAL REVENUES	$ 5,388,822
OPERATING EXPENSES[3]	
Salaries and Benefits	$ 1,123,804
Purchased Power	130,315
Customer Accounting	44,724
Services and Supplies	1,279,065
TOTAL OPERATING EXPENSES	$ 2,577,908
NET REVENUES	$ 2,810,914
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
2019 State Loan - Five Cities Lift Station	$ 48,251
2012 Wastewater Bonds	$ 388,363
TOTAL DEBT SERVICE PAYMENTS	$ 1,102,427
DEBT SERVICE COVERAGE RATIO	2.55
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$ 1,708,487**

[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 2020-21

$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, 2021. 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 2020-21
$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, 2021. According to the Continuing Disclosure Certificate, significant events include:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- 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 Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to rights of Bond holders, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Schedule 21
City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2020-21
$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, 2021. According to the Continuing Disclosure Certificate, significant events include:

- Principal and interest payment delinquencies;
- Non-payment related defaults, if material;
- Unscheduled draws on debt service reserves reflecting financial difficulties;
- Unscheduled draws on credit enhancements reflecting financial difficulties;
- Substitution of credit or liquidity providers, or their failure to perform;
- 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 Bonds, or other material events affecting the tax status of the Bonds;
- Modifications to rights of Bond holders, if material;
- Bond calls, if material, and tender offers;
- Defeasances;
- Release, substitution, or sale of property securing repayment of the Bonds, if material;
- Rating changes;
- Bankruptcy, insolvency, receivership or similar event of the Obligated Person;
- The consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of the Obligated Person, 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
- Appointment of a successor or additional trustee or the change of name of a trustee, if material.

Schedule 22
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2020-21

Table 1: Ten Largest Customers of Water Enterprise

	Customer Name	Consumption	Water Revenues	% of Total
1	Pismo Coast Village	11,342	$ 61,043	1.23%
2	Cliffs Shell Beach	10,544	$ 64,517	1.30%
3	Pismo Beach Mobile Home Park	9,713	$ 52,901	1.07%
4	Pismo Lighthouse Suites	7,558	$ 47,795	0.97%
5	Pismo Dunes Resort - Meter #1	7,231	$ 36,270	0.73%
6	Pismo Dunes Resort - Meter #2	7,111	$ 36,853	0.74%
7	Dolphin Bay Hotel	6,785	$ 42,888	0.87%
8	Seacrest Resort	6,259	$ 39,225	0.79%
9	Oxford Suites Resort	6,110	$ 30,879	0.62%
10	Shorecliff Lodge	6,057	$ 37,235	0.75%
	Total	78,710	$ 449,606	9.09%
	Other Customers		$ 4,498,894	90.91%
	Total Revenues		$ 4,948,500	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	4,449
Apartments	363
Commercial/Industrial	357
Other	165
Total All Customers	5,334
Water Sales Revenue	$4,948,500

Schedule 22 – Page 2
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2020-21

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

Water Service Rates	
Minimum Monthly Service Charge: $15.27	
Additional Charge per 100 Cubic Feet of Water Used: $4.45 0-10; $5.07 11-16; $5.81 17-32; $7.79 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: $211.00

Table 4: Additional information:

Additional Information	
Number for actual water deliveries:	1,836 Acre Feet
Impact Fees/Water Tax:	
Type: Water Tax	Revenue Received: $1,425,781
Type: Impact Fees	Revenue Received: $269,542

Schedule 22 – Page 3
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2020-21

CITY OF PISMO BEACH

	Audited FY 20-21
REVENUES	
Water Sales	$ 4,948,500
Interest	(13,519)
Assessments	1,425,781
Other Revenue	412,090
TOTAL REVENUES	$ 6,772,852
OPERATING EXPENSES	
Administration and General	$ 870,564
Lopez Contract Payments	1,328,490
Operations & Maintenance	1,356,275
Utilities	126,024
TOTAL OPERATING EXPENSES	$ 3,681,353
NET REVENUES	$ 3,091,500
State Water Payments	$ 1,521,038
TOTAL CONTRACT PAYMENTS	$ 1,521,038
COVERAGE RATIO	2.03
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$ 1,570,462**

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, 2021, 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 17, 2021.

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) as a basis for designing 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 financial

statements. 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 17, 2021