CITY OF PISMO BEACH, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT



2022

FOR FISCAL YEAR ENDED JUNE 30, 2022

CITY OF PISMO BEACH, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Prepared by:

Administrative Services Department

Introductory Section

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January 31, 2023

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, 2022. 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, 2022 and marks the twenty-first 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 Badawi and Associates, 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, 2022 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, 2022 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 7,981 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 could be bumpy with potential continued expansion, a changing housing market, and uncertainty of various factors impacting the global economy. Personal income and wealth have grown by $30 trillion from 2020 to 2022, including at the bottom 50% of households. This is expected to increase consumer spending especially with pent up consumer demand on certain goods, including cars, travel, services driving demand while supplies are catching up to meet that demand. The housing market continues to have more demand

than supply, driving up home prices and rent. Although interest rates are rising, demand for housing continues to be a strong factor in this sector. There are several uncertainties in the next two years, including rising inflation and the potential Federal Reserve response of raising the federal funds rate to help slow down the economy. Another factor is the global economic situation of China's economy and the Russian war on Ukraine that are impacting the U.S. and other countries, including the price of gasoline and driving inflation.

Looking on to the rest of 2022 and calendar years 2023 and 2024, the Federal Open Market Committee (FOMC) released its September 21, 2022 economic projections, which indicate that, barring other economic shocks to the system, the U.S. economy is estimated to grow at a rate of 0.2% in 2022, 1.2% in 2023, and 1.7% in 2024. According to the FOMC, gross domestic product (GDP) growth between 2.0% to 3.0% per year is the ideal range.

The Committee also projects slight changes in the national unemployment rate, currently 3.8% as of June 2022, and slightly increasing to 4.4% in 2023 and in 2024. 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 4.5% in 2022, 3.1% in 2023, and 2.3% in 2024. 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 September 21, 2022 FOMC economic projections, the Committee is projected to raise the federal funds rate to 4.4% in 2022, 4.6% in 2023, and reduce the rate to 3.9% in 2024.

In summary, the U.S. economic outlook for FY 2023 and FY 2024 is positive and expanding, but possibly bumpy depending on inflation and the Federal Reserve response of raising rates, potentially triggering a mild recession in 2023.

State of California Economy

According to the California Department of Finance's economic projections from April 2022, California consumer price index for urban consumers (CPI-U) is expected to grow by 4.5% in FY 2023 compared to FY 2022 and grow by 2.1% in FY 2024 compared to FY 2023. This is compared to the projected FY 2022 growth from the previous year of 6.9%, reflecting a slow down in the economy. The state's fiscal health is currently positive, but the future-year outlook is weary of a potential recession due to inflation pressures and the FOMC response or raising rates to slow down the economy. Overall, **employment is projected to grow** by 1.5% in 2023 and 0.8% in 2024 reflecting a projected unemployment rate of 4.1% and 4.2%, respectively for 2023 and 2024. **Personal income is expected to grow** by 6.1% in 2023 compared to 2022 and 5.7% in 2024 compared to 2023. This is on top of a projected 2.9% increase in 2022 compared to 2021 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) includes 48% of its revenues from 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 October 2022 **total visitors to California are expected to grow by about 7% in 2023 compared to 2022 and 2% in 2024 compared to 2023**. Estimated total expenditures in California from these visitors is expected to increase by 13% in 2023 and 7% in 2024 for domestic and international travelers. These large growth rates are expected to exceed 2019 travel levels and spending during 2022.

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. In past recessions, the City continued to see visitors from this core visitation group and continues to be a drive market for those not looking to spend more on airfare. Looking forward to FY 2023 and FY 2024, staff anticipates continued growth, but at a much slower pace.

City's Response to Economic Issues

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

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

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. The City also appreciates its 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, 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 2022
- 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 2022.

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 2022 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 2022, 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 2022, including: City Hall and Corporation Yard Improvements, Ocean Boulevard Improvements, and the design of the Public Safety Facility.

Public Safety: Provide funding to maintain adequate levels of safety for citizens and visitors of Pismo Beach. The City supported: the Secure Communication Radio project, including a new simulcast radio system for the Police Department and an encrypted radio channel; the initial work for the Police Department's new Computer Aided Dispatch/Records Management System (CAD/RMS) project; five new positions, including four new officers and one reserve officer; and the new License Plate Reader (LPR) technology; continued support of the Police Department's personnel, equipment, and vehicles for Police officers and support staff; and the expansion of the community camera program to other City facilities. The City also invests in fire prevention efforts to protect the community through its contract with CalFIRE with prescribed burns, weed abatement, inspections of buildings, and protecting the public at the beach with the City's lifeguards.

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 2022, these fees were updated to reflect the rate changes on January 1, 2022. 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, the Central Coast Blue project, and the Public Safety Facility project, all 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 2022 for the Ocean Boulevard Improvements project that has visitor amenities; the replacement Bello Bridge to improve connectivity in the City, the replacement of the restroom at the popular Dinosaur Caves park, contributed to improvements in the Chapman Estate for future private events, the 75th Anniversary gala to celebrate the City's 75th birthday; and the Paving and Central Coast Blue projects that will bring more jobs to the Central Coast.

Projects Accomplished in FY 2022

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 2022. The following list highlights some of the most significant accomplishments in FY 2022.

Infrastructure Maintenance and Beautification

- ✓ Completion of the Bello Street Bridge
- ✓ Completion of Shell Beach Reservoir I replacement
- ✓ Replaced park water fountains with new water fountains with bottle fillers
- ✓ Started construction of the 2022/23 Paving Project, which will construct a new sidewalk under US 101 at Spyglass as well as pave approximately 1/3 of the city's streets
- ✓ Started construction on the Ocean Boulevard Costal Access Project. This project is approximately 70% complete and when finished will provide a completed sidewalk with ADA improvements from Wawona to Vista del Mar, reconstruct a beach access stairway at Morro Avenue and stabilize sections of the bluff along Ocean Boulevard
- ✓ Completed Corporation Yard Administration Office upgrade project
- ✓ Completed the City Hall Safety Upgrade Project
- ✓ Completed the St. Judes Tunnel Repairs and Public Art Project
- ✓ Completion of the Encanto, Reef Court and Windward Avenue Storm Drain Project
- ✓ Completed the Dinosaur Caves/Price Historic Park Restroom Project
- ✓ Completed the Price Canyon Road Slop Repair Project
- ✓ Completed the Beach Swing replacement
- ✓ James Way beautification project – in design, expected construction start date – spring/summer 2023
- ✓ Ventana Sports Courts – in design, expected construction start date – spring 2023
- ✓ Park Sign Program – in design, expected installation start date – spring 2023
- ✓ Completion of the Central Coast Blue Test Injection Well

Housing, Health, and Safety

- ✓ Purchased a new Fire Engine
- ✓ Purchased a new Lifeguard Tower
- ✓ Obtained OTS Grant and purchased extrication equipment
- ✓ Implemented Vegetation Management Projects for 1000 Hills, Cave/Bluffs, and Chumash Park
- ✓ Updated training and improved management of Junior Lifeguard and Lifeguard Programs
- ✓ Held six joint City Council and Planning Commission workshops for continued update of General Plan/Local Coastal Program
- ✓ $1.5 million dollars in financial support approved for a 25-unit senior affordable housing project on Shell Beach Road, with construction imminent.
- ✓ Senate Bill 9 Ordinance approved by Council and awaiting certification by the California Coastal Commission
- ✓ Construction started on 50-unit affordable housing project on 4th Street
- ✓ Prepared and processed adoption of the 2022 California Construction Codes
- ✓ Maintained the City's excellent rating with Insurance Services Officers (ISO) through the Building Code Effectiveness Grading Schedule Program

Preservation of essential services and fiscal health

- ✓ Fully funded the General Fund Reserve at 25% of General Fund budgeted operating expenditures
- ✓ Maintained the Risk Management Reserve for a total balance of $250 thousand to fund unanticipated general liability and workers' compensation costs
- ✓ Maintained the $500 thousand General Fund City Facility Reserve

- ✓ Contributed an additional $1.0 million discretionary payment of $500,000 to each of the City's CalPERS Miscellaneous and Safety Police Tier 1 plans to reduce the City's unfunded pension liability.
- ✓ 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
- ✓ Supported the International Surf Association 2021 and 2022 World Para-Surfing Championship Event, drawing in visitors from around the world.

Community Awareness and Communication

- ✓ Continue to provide a high quality of life for residents and the visitors such as Pumpkins in the Park, Easter Eggstravaganza, Holiday Harmony, Father-Daughter Dance, and special neighborhood events.
- ✓ Recreation continues to provide numerous classes for all interests including fitness and youth camps such as art, volleyball, surf, ocean adventure, ocean explorer, baseball, tennis, pickleball, and ceramics.
- ✓ Managed and successfully executed City events including the 4th of July, Clam Festival, and Band Review
- ✓ Launched the new Public Works My Maintenance program where the City has been broken up into 6 maintenance zones. A member of the City's maintenance crew will drive each neighborhood once a month to take care of miscellaneous items, such as pulling weeds in the right-of-way, removing graffiti, and fixing broken signs. Larger tasks that cannot be completed on your routine maintenance day will be added to the work log for future completion.

FY 2023 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 2023. 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, 2021. 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

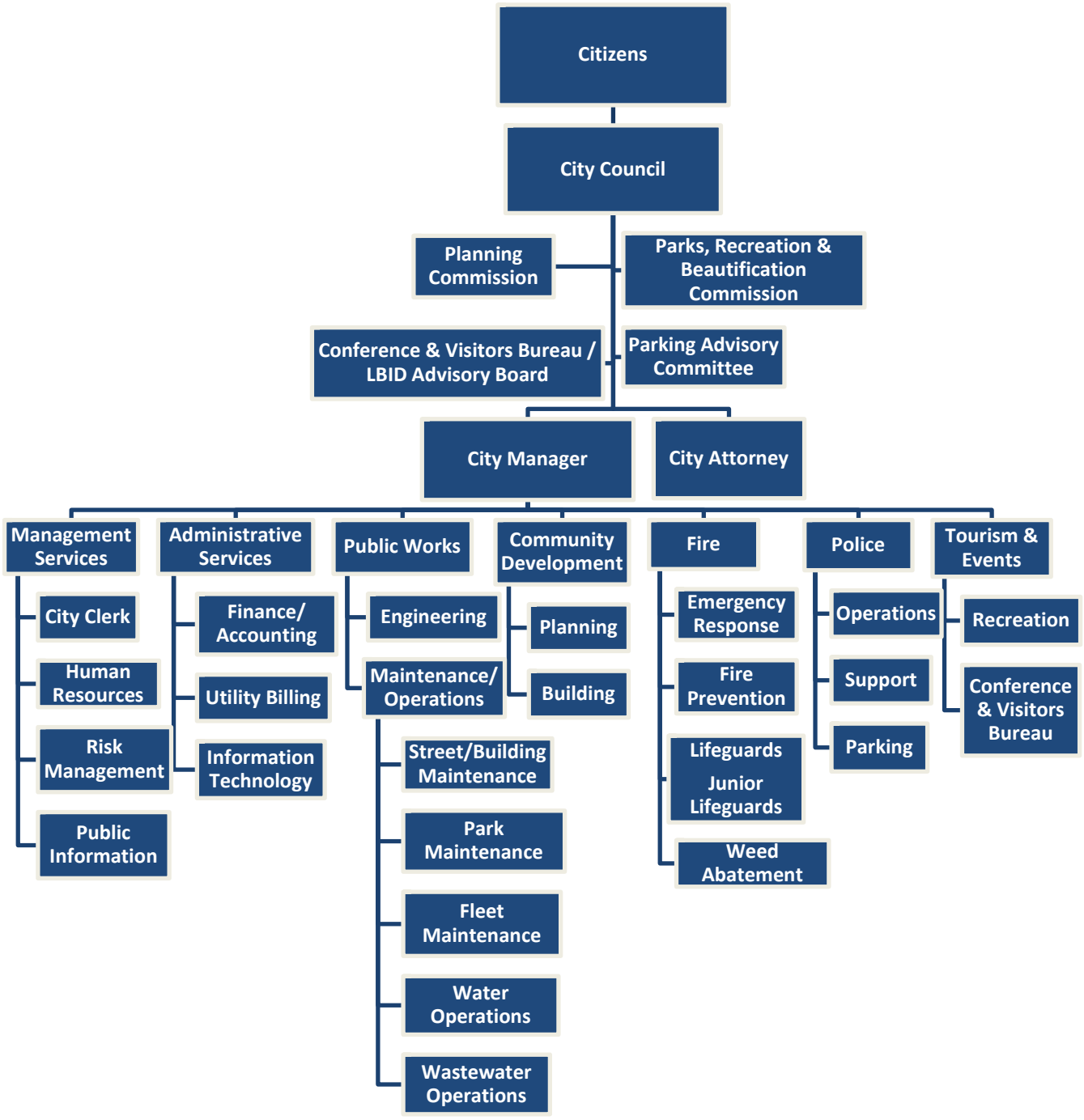
Executive Management Team

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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021



Executive Director/CEO

Financial Section

BADAWI & ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules for the General Fund and major special revenue funds, and the required pension and OPEB schedules on pages 5-18 and 91–98 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund statements and the budgetary comparison schedules for the Capital Projects Fund and nonmajor governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund statements and the budgetary comparison schedules for the Capital Projects Fund and nonmajor governmental funds 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 nonmajor fund statements and the budgetary comparison schedules for the Capital Projects Fund and nonmajor governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

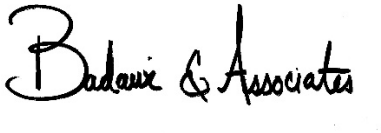
Other Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial

reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.



Badawi & Associates, CPAs
Berkeley, California
January 31, 2023

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, 2022. 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 $24.76 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 $188.64 million at the end of the 2022 fiscal year. Of that amount, $56.64 million (the unrestricted net position) may be used to meet the City's ongoing obligations and operating expenses for the next fiscal year.

- Overall City-wide revenues from all governmental and business-type activities increased by about $6.73 million compared to the 2021 fiscal year. The increase in revenues was largely in: charges for services of $2.94 million over fiscal year 2021 and Transient Occupancy Taxes (TOT) of $2.80 million greater than the prior fiscal year.

- Transient Occupancy Tax Revenues increased by $2.80 million, or 19.7%, in the 2022 fiscal year to $17.01 million. The increase was due to a robust tourism industry combined with reflecting a full year of the TOT rate increase of an additional 1% (from 10% to 11%) effective January 2021, whereas fiscal year 2021 only reflected half a year with the additional 1%.

- The City's total expense of all programs in the 2022 fiscal year was relatively level, only increasing by about $0.14 million compared to the 2021 fiscal year.

- The General Fund reported a fund balance of $37.61 million at the end of the 2022 fiscal year; a 23.0 percent increase from the end of the 2021 fiscal year. This is a combination of increased revenues and covering increased expenditures, contributing an additional $7.08 million to the fund balance. The General Fund unassigned balance at the end of fiscal year 2021 was $30.53 million.

- The City also ended the 2022 fiscal year with $23.54 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 contributed two additional discretionary payments to the California Public Employees' Retirement System (CalPERS) to help reduce the City's unfunded pension liability for the Miscellaneous Tier 1 and Public Safety Tier 1 plans. The discretionary payments included $500,000 to each of these plans from the General Fund. These payments have a direct impact to reduce the interest costs on the unfunded pension liability and improve the City's funded status for each of these plans.

- The City's other governmental funds ended the 2022 fiscal year with about $7.67 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 $24.76 million between fiscal years 2021 and 2022.

Table A-1

City of Pismo Beach's Net Position

(in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2021	2022	2021	2022	2021	2021-2022
Current and other assets	$56.42	$45.29	$25.88	$24.49	$82.30	$69.78	17.94%
Capital assets	92.44	83.25	50.44	49.90	142.88	133.15	7.31%
Other noncurrent assets	3.80	1.71	0.15	-	3.95	1.71	130.76%
Total assets	**$152.66**	**$130.25**	**$76.47**	**$74.39**	**$229.13**	**$204.64**	**11.97%**
Deferred Outflows	5.01	4.05	0.99	0.83	6.00	4.88	22.95%
Long-term debt outstanding	19.35	26.96	9.09	10.09	28.44	37.05	-23.25%
Other liabilities	7.30	4.77	0.72	1.77	8.02	6.54	22.61%
Total liabilities	**$26.65**	**$31.73**	**9.81**	**$11.86**	**$36.46**	**$43.59**	**-16.37%**
Deferred Inflows	8.56	1.79	1.47	0.28	10.03	2.07	384.54%
Net position							
Investment in capital assets	81.86	72.43	42.63	41.63	124.49	114.06	9.14%
Restricted	8.24	6.34	1.27	2.29	9.51	8.63	10.20%
Unrestricted	32.36	22.03	22.28	19.16	54.64	41.19	32.65%
Total net position	**122.46**	**100.80**	**$66.18**	**$63.08**	**$188.64**	**$163.88**	**15.11%**

Net position of the City's governmental and business-type activities increased 15.11 percent to $188.64 million. About 66.0 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 34.0 percent is essentially represented by cash, investments, and receivables. About 78.0 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 2022 total revenues of about $61.14 million were about $6.73 million greater than revenues in fiscal year 2021, a 12.37 percent increase. (See Table A-2.) About 52.8 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.

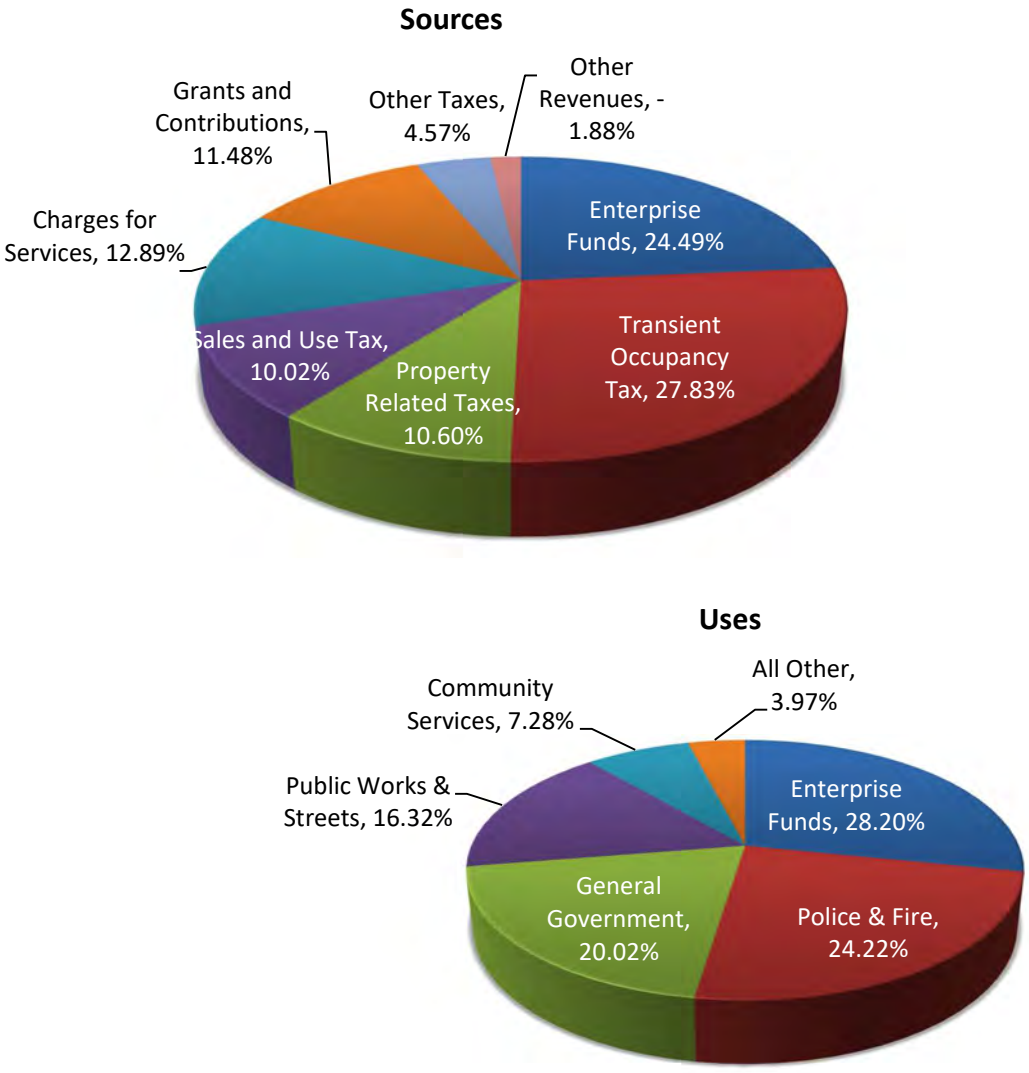
Expenses: The total cost of all programs and services in fiscal year 2022 was about $36.38 million and included a wide range of services such as police and fire protection, streets, public works, general administration, community services, water, wastewater, parking, pier, and the transit operations.

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
	2022	2021	2022	2021	2022	2021	2021-2022
Revenues							
Program revenues							
Charges for services	$7.88	$6.31	$14.92	$13.55	$22.80	$19.86	14.80%
Operating grants and contributions	2.31	2.00	-	-	2.31	2.00	15.50%
Capital grants and contributions	4.71	3.59	0.05	-	4.76	3.59	32.59%
General revenues							
Transient occupancy taxes	17.01	14.21	-	-	17.01	14.21	19.70%
Property, sales and other taxes	13.79	12.09	1.48	1.43	15.27	13.52	12.94%
Other	(0.14)	1.31	(0.87)	(0.08)	(1.01)	1.23	-182.11%
Total revenues	**$45.56**	**$39.51**	**$15.58**	**$14.90**	**$61.14**	**$54.41**	**12.37%**
Expenses							
General government	7.28	7.76	-	-	7.28	7.76	-6.19%
Public safety	8.81	9.47	-	-	8.81	9.47	-6.97%
Streets	1.03	1.05	-	-	1.03	1.05	-1.90%
Public works	4.91	4.43	-	-	4.91	4.43	10.84%
Community services	2.65	2.27	-	-	2.65	2.27	16.74%
Water	-	-	5.82	5.55	5.82	5.55	4.86%
Wastewater	-	-	4.44	4.28	4.44	4.28	3.74%
Other	0.48	0.48	0.96	0.95	1.44	1.43	0.70%
Total expenses	**$25.16**	**$25.46**	**$11.22**	**$10.78**	**$36.38**	**$36.24**	**0.39%**
Excess (deficiency) before transfers/other	20.40	14.05	4.36	4.12	24.76	18.17	36.27%
Transfers	1.27	0.23	(1.27)	(0.23)	-	-	0.00%
Prior year restatement					-	-	100.00%
Increase (decrease) in net position	**21.67**	**14.28**	**$3.09**	**$3.89**	**$24.76**	**$18.17**	**36.27%**
Net position, beginning of year	**$100.79**	**$86.51**	**$63.09**	**$59.21**	**$163.88**	**$145.72**	
Net position, end of year	**$122.46**	**$100.79**	**$66.18**	**$63.10**	**$188.64**	**$163.89**	**15.10%**

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 2022 fiscal year increased by about $6.05 million compared to the 2021 fiscal year. The primary increase was from transient occupancy tax revenues, reflecting an increase of $2.80 million, followed by an increase of $1.70 million in property, sales, and other taxes, $1.57 million in charges for services, an increase of $1.12 million in capital grants and contributions, and an increase of $0.31 million in operating grants and contributions. Offsetting these revenue increases are decreases in all other revenues by $1.45 million compared to fiscal year 2021.

The City's primary source of revenue comes from some kind of tax. About 67.6 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 37.3 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 2021 by 19.71 percent, or $2.80 million. The City's transient occupancy tax revenues increased reflects a full year of the additional 1.0% transient occupancy tax revenue (Measure B-20 that was approved by the voters on November 3, 2020 increasing transient occupancy tax from 10% to 11% of gross lodging revenues and effective January 2021), compared to only half a year of the additional 1% tax in fiscal year 2021. Sales tax revenues, including the Half-Cent Transactions Sales and Use Tax revenues, came in $719,001, or 13.3 percent, higher than fiscal year 2021. Sales and use tax revenues excluding the Half-Cent Sales Tax revenues, came in $427,365, or 11.7 percent, higher than fiscal year 2021. Half-Cent Sales Tax revenues came in 16.7 percent higher by $291,636 compared to fiscal year 2021. Sales and use tax revenues increased in 2022 compared to 2021 largely due to more visitors traveling to the City in 2022 compared to fiscal year 2021.

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 35.0 percent of the City's total fiscal year 2022 governmental operating expenses. Public works costs including maintenance of buildings, parks, and other City facilities account for about 19.5 percent of the City's total fiscal year 2022 governmental operating expenses. Another 10.5 percent of the City's fiscal year 2022 governmental activities operating expenses were incurred to provide community services in Pismo Beach. The remaining 34.9 percent was spent on streets, general administration, and other expenses.

When all operations were concluded, the governmental activities function generated a $21.67 million increase in net position for fiscal year 2022 compared to a $14.28 million increase in fiscal year 2021.

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
	2022	2021	2021-2022
General Government	$7.28	$7.76	-6.19%
Public Safety	8.81	9.47	-6.97%
Community Services	1.03	2.27	-54.63%
Streets	4.91	1.05	367.62%
Public Works	2.65	4.43	-40.18%
All Other	0.48	0.48	0.00%
Total	**$25.16**	**$25.46**	**-1.18%**

The cost of *all programs* this year was $25.16 million, compared to $25.46 million in fiscal year 2021.

While users and contributors funded about $14.90 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 $10.26 million. Major sources of program revenues were:

- Other governments and organizations that subsidized certain programs with grants and contributions (about $7.02 million), or
- Those who directly benefited from or used the programs amounted to $7.88 million.

The City paid for the $10.26 million "public benefit" portion out of the $30.66 million in general revenues such as property taxes, transient occupancy taxes, sales taxes, and with other tax revenues and investment earnings.

Overall, fiscal year 2022 total cost of services is showing a decrease of 1.2 percent compared to fiscal year 2021. Expenses increased in Public Works and Community Services, while expenses decreased in the categories for: General Government, Public Safety, and Streets, largely due to the timing of pension related expenses adjustments (pension expenses and additional discretionary payments to CalPERS retirement system are removed as expenditures and treated as deferred outflows) in fiscal year 2022 compared to fiscal year 2021.

Business-Type Activities

The City's business-type activities (primarily water, wastewater, parking, and pier) were responsible for about $3.09 million increase in net position for fiscal year ending 2022. Revenues in total increased in the fiscal year 2022 by $0.68 million. Revenues for basic water services charges increased by 5.9 percent, or $0.29 million, in fiscal year 2022. Revenues for basic wastewater services charges increased by 3.8 percent, or $0.19 million, in fiscal year 2022. Water and wastewater service charges revenues reflect rate changes in year 4 of a 5 year rate increase plan. Parking kiosk and meter revenues decreased by 10.1 percent or $0.22 million in fiscal year 2022.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a combined fund balance of $45.28 million, about $8.00 million higher than the last fiscal year. Revenues increased by $4.76 million, most of which were in Transient Occupancy Taxes of $2,801,169, sales tax by $719,001, the miscellaneous category by $498,405, other taxes by $434,437, special assessments by $386,740, property taxes by $259,038, licenses and forfeits by $219,516, subventions and grants category by $191,195, and charges for services by $113,648. Revenues decreased in investment earnings by $896,148 based on the performance of the market and the City's holdings. Expenditures increased by $10.16 million, or 37.23 percent from the previous year, most of which were in Capital Outlay of $5.94 million, General Government of $2.16 million, Public Safety of $1.17 million, and Public Works of $0.26 million.

The City's General Fund operations generated about $12.32 million more in revenues than was spent on governmental activities. From this excess, the City transferred a total of $5.48 million out of the General Fund and into other funds. From the $5.48 million in transfers, $0.43 million was transferred to the Public Financing Agency Fund (PFA) for debt service, about $4.38 million was transferred out to capital projects, $0.46 million was transferred to the Motor Vehicle Replacement Internal Service Fund and Information Technology Internal Service Fund, $42,722 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 $37.61 million, an increase of $7.08 million from the prior year

of $30.53 million. Of the $37.61 million, about $16.53 million is designated for capital projects and $6.87 million was designated for unanticipated emergencies.

Included in the City's major governmental funds, the Housing in Lieu Fee Fund surplus fund balance is $5.24 million, which can be used for affordable housing projects. The fund balance increased $1.03 million from the prior fiscal year, which reflects additional housing in lieu fees paid by developers (include NEW note). The Lodging Business Improvement District (LBID) Fund surplus fund balance is $0.30 million, which reflect the pay down of 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 $1.65 million to reflect additional LBID assessment revenues and the second payment to the Motor Vehicle Replacement Fund for the interfund loan.

The Capital Project Fund types have a combined net deficit fund balance of $0.46 million, a decrease of $1.08 million over fiscal year 2021, 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. Expenditures increased by $5.38 million in the Capital Projects Funds due to several large capital projects, including the Bello Bridge Replacement project, the City Hall and Corporation Yard Improvements project, the Ocean Boulevard Improvements project, the Public Safety Facility project, Price Canyon Road project, the Storm Drain project, and the Paving project. The deficit is largely due to delays in receiving grant reimbursement monies for the Bello Bridge Replacement project.

In addition, the City's non-major governmental funds ended the 2022 fiscal year with a combined fund balance of $2.59 million. Of this amount, $905,246 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 $98,515, 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's 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 $3.32 million less than final budget amounts. Budget amendments that occurred in revenues during the year include an increase of $3.44 million in General Fund revenues of various categories. Budgeted amendments that occurred in expenditures during the year include an increase of $2.11 million, which were mainly for one-time projects.

The largest components of General Fund revenues that came in higher than original estimates include Subventions and Grants by $907,780, Sales Taxes by $682,175, License and Permits by $494,128, Miscellaneous by $350,953, Other Taxes by $228,186, Transient Occupancy Taxes by $161,161, and Property Taxes by $153,485.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022, the City had invested $142.88 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 $9.72 million, or a 7.3 percent increase from the previous year. Note that the City revised the category of some of its business type activities in 2022 compared to 2021. The majority of this reallocation includes reallocating: pipeline/collection system assets; pier assets; and tanks, wells, and system; and machinery and equipment.

Table A-4

Pismo Beach's Capital Assets

(net of depreciation, in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2022	2021	2022	2021	2022	2021	2021-2022
Land and right of ways	$23.76	$22.92	$3.08	$3.08	$26.84	$26.00	3.23%
Construction in progress	14.06	13.98	4.90	3.02	18.96	17.00	11.53%
Buildings	7.02	7.02	1.29	1.29	8.31	8.31	0.00%
Machinery and equipment	3.42	3.32	10.05	3.34	13.47	6.66	102.25%
Vehicles	6.19	5.72	-	-	6.19	5.72	8.22%
Improvements	13.50	12.20	-	-	13.50	12.20	10.66%
Tanks, wells, and system	-	-	25.53	18.62	25.53	18.62	37.11%
Pipelines/collection system	-	-	24.56	35.40	24.56	35.40	-30.62%
Pier	-	-	8.44	10.37	8.44	10.37	-18.61%
Infrastructure-streets	81.97	72.03	-	-	81.97	72.03	13.80%
Accumulated depreciation	(57.48)	(53.95)	(27.41)	(25.20)	(84.89)	(79.15)	7.25%
Total	**$92.44**	**$83.24**	**$50.44**	**$49.92**	**$142.88**	**$133.16**	**7.30%**

This year's major capital asset changes included:

- *Construction on the Bello Bridge replacement project spending $3.09 million*
- *City Hall, Corporation Yard, and Chapman Roof improvement project construction of $2.39 million*
- *Ocean Boulevard Improvements project construction of $2.21 million*
- *Public Safety Facility planning and design spending of $1.22 million*
- *Planning and design of the Central Coast Blue project spending $1.00 million*
- *Price Canyon Road construction spending in the amount of $0.72 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 2022, the City has $3.51 million in lease revenue bonds that were issued in 2017 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 2022, the City has $6.85 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 2022, the City had $3.59 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 2022, the State Revolving Loans had outstanding balances of $3.93 million, which included $2.33 million for the Wastewater Treatment Loan, $42,327 for the Park/Cypress Interceptor Loan, $273,285 for the Pismo Oaks Lift Station Loan, and $1.29 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 $74,590 for estimated claim obligations. The City's General Fund pays all insurance related costs.

Deferred Outflows/Inflows of Resources

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

The City's Deferred Outflows of resources in the Governmental Activities and Business-Type Activities totaled $6.00 million in fiscal year 2022, with $5.24 million being pension related, $613,049 OPEB related, and $151,514 as unamortized loss on refunding.

The City's Deferred Inflows of resources in the Governmental Activities and Business-Type Activities totaled $10.02 million, with $8.36 million pension related, and $896,847 OPEB related, and $774,204 leases related.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the 2023 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 2023. These projects could include Chumash and Palisades Parks improvements, Ventana Sports Courts, James Way Beautification, the Public Safety Facility (pay-as-you-go portion only), Addie Street Parking and Access Improvements, and the Police Substation.

- 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 $180,000.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Administrative Services Department, City of Pismo Beach, 760 Mattie Road, Pismo Beach, California, 93449, 805.773.4655.

BASIC
FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Pismo Beach

Statement of Net Position

June 30, 2022

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 49,457,007	$ 23,571,819	$ 73,028,826
Restricted cash and investments	57	-	57
Taxes receivable	3,388,864	-	3,388,864
Accounts receivable, net	1,262,576	2,240,837	3,503,413
Due from other governments	2,108,963	-	2,108,963
Accrued interest receivable	22,282	13,843	36,125
Leases receivable	136,409	48,819	185,228
Prepayments	50,324	-	50,324
Total current assets	56,426,482	25,875,318	82,301,800
Noncurrent assets:			
Claims asset	74,590	-	74,590
Leases receivable	490,283	108,467	598,750
Notes and interest receivable	3,098,194	-	3,098,194
Net OPEB asset	126,010	42,407	168,417
Capital assets:			
Nondepreciable	37,820,746	7,979,810	45,800,556
Depreciable	112,098,475	69,871,168	181,969,643
Less accumulated depreciation	(57,475,717)	(27,406,584)	(84,882,301)
Total capital assets	92,443,504	50,444,394	142,887,898
Total noncurrent assets	96,232,581	50,595,268	146,827,849
Total assets	152,659,063	76,470,586	229,129,649
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	4,557,450	680,997	5,238,447
Deferred outflows - OPEB	458,683	154,366	613,049
Unamortized loss on refunding	-	151,514	151,514
Total deferred outflows of resources	5,016,133	986,877	6,003,010
LIABILITIES			
Current liabilities:			
Accounts payable	5,003,436	441,647	5,445,083
Accrued liabilities	1,224,647	77,875	1,302,522
Deposits	1,076,913	168,829	1,245,742
Accrued interest payable	-	26,541	26,541
Leases - current	14,902	64,935	79,837
Compensated absences - current	156,759	18,185	174,944
Bonds and loans - current portion	311,106	924,311	1,235,417
Total current liabilities	7,787,763	1,722,323	9,510,086
Noncurrent liabilities:			
Lease payable	45,528	-	45,528
Compensated absences	470,277	54,551	524,828
Net pension liability	8,140,127	1,216,341	9,356,468
Bonds and loans	10,208,547	6,821,621	17,030,168
Total noncurrent liabilities	18,864,479	8,092,513	26,956,992
Total liabilities	26,652,242	9,814,836	36,467,078
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	7,270,438	1,086,387	8,356,825
Deferred inflows of resources - OPEB	671,021	225,826	896,847
Deferred inflows of resources - leases	619,410	154,794	774,204
Total deferred inflows of resources	8,560,869	1,467,007	10,027,876
NET POSITION			
Net investment in capital assets	81,863,421	42,633,527	124,496,948
Restricted for:			
Debt service	225,765	-	225,765
Capital projects	1,609,539	1,265,385	2,874,924
Affordable housing	5,534,270	-	5,534,270
Community development	494,193	-	494,193
Streets	378,626	-	378,626
Total restricted	8,242,393	1,265,385	9,507,778
Unrestricted	32,356,271	22,276,708	54,632,979
Total net position	$ 122,462,085	$ 66,175,620	$ 188,637,705

See accompanying Notes to Basic Financial Statements.

City of Pismo Beach
Statement of Activities
For the year ended June 30, 2022

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Total
Governmental activities:					
General government	$ 7,281,988	$ 4,652,534	$ 1,096,729	$ -	$ 5,749,263
Public safety:					
Police protection	6,125,852	453,558	248,188	470,000	1,171,746
Fire protection	2,685,033	112,328	-	-	112,328
Streets	1,031,050	-	813,006	3,000,920	3,813,926
Community services	2,646,685	841,044	148,920	-	989,964
Public works	4,905,144	1,303,349	-	1,240,220	2,543,569
Redevelopment and housing	75,418	519,708	-	-	519,708
Interest on long-term debt	410,003	-	-	-	-
Total governmental activities	25,161,173	7,882,521	2,306,843	4,711,140	14,900,504
Business-type Activities:					
Water	5,818,024	5,962,637	-	48,710	6,011,347
Wastewater	4,439,748	6,070,939	-	348	6,071,287
Pier	252,623	82,842	-	-	82,842
Parking	703,778	2,804,978	-	-	2,804,978
Transit	857	-	-	-	-
Total business-type activities	11,215,030	14,921,396	-	49,058	14,970,454
Total primary government	$ 36,376,203	$ 22,803,917	$ 2,306,843	$ 4,760,198	$ 29,870,958
		General Revenues:			
		Property taxes			
		Sales taxes			
		Special water taxes			
		Transient occupancy taxes			
		Other taxes			
		Franchise taxes			
		Unrestricted investment earnings			
		Other revenue			
		Total general revenues			
		Transfers			
		Total general revenues and transfers			
		Change in net position			
		Net position - beginning of year			
		Net position - end of year			

See accompanying Notes to Basic Financial Statements

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (1,532,725)	$ -	$ (1,532,725)
(4,954,106)	-	(4,954,106)
(2,572,705)	-	(2,572,705)
2,782,876	-	2,782,876
(1,656,721)	-	(1,656,721)
(2,361,575)	-	(2,361,575)
444,290	-	444,290
(410,003)	-	(410,003)
(10,260,669)	-	(10,260,669)
-	193,323	193,323
-	1,631,539	1,631,539
-	(169,781)	(169,781)
-	2,101,200	2,101,200
-	(857)	(857)
-	3,755,424	3,755,424
(10,260,669)	3,755,424	(6,505,245)
6,479,633	-	6,479,633
6,127,110	-	6,127,110
-	1,482,864	1,482,864
17,010,748	-	17,010,748
459,408	-	459,408
727,916	-	727,916
(728,740)	(878,197)	(1,606,937)
582,137	-	582,137
30,658,212	604,667	31,262,879
1,269,579	(1,269,579)	-
31,927,791	(664,912)	31,262,879
21,667,122	3,090,512	24,757,634
100,794,963	63,085,108	163,880,071
$ 122,462,085	$ 66,175,620	$ 188,637,705

See accompanying Notes to Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

Governmental Fund Financial Statements

Proprietary Fund Financial Statements

Fiduciary Fund Financial Statements

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MAJOR GOVERNMENTAL FUNDS

General Fund - 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.

Housing In-Lieu - This 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 - This fund is used to account for monies raised to promote City lodging businesses.

Capital Projects - This fund is used to accumulate resources for use in financing major capital improvement projects.

City of Pismo Beach

Balance Sheet

Governmental Funds

June 30, 2022

		Special Revenue Funds		
	General Fund	Housing In-Lieu	Lodging Business Improvement	Capital Projects
ASSETS				
Cash and investments	$ 36,480,540	$ 3,169,301	$ 1,111,108	$ 2,441,171
Cash and investments with fiscal agent	-	-	-	-
Taxes receivable	3,055,422	-	333,442	-
Accounts receivable	1,252,320	-	-	-
Due from other governments	-	-	-	1,983,496
Accrued interest receivable	13,798	2,110	1,806	-
Prepayments	50,324	-	-	-
Leases receivable	626,692	-	-	-
Notes and accrued interest receivable	-	3,098,194	-	-
Total assets	$ 41,479,096	$ 6,269,605	$ 1,446,356	$ 4,424,667
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,060,669	-	82,863	3,721,059
Accrued liabilities	1,214,020	-	1,236	-
Deposits	972,540	-	-	-
Advances from other funds	-	-	1,066,378	-
Total liabilities	3,247,229	-	1,150,477	3,721,059
Deferred Inflows of Resources				
Deferred inflows - leases	619,410	-	-	-
Unavailable revenue	-	1,031,214	-	1,166,326
Total deferred inflows of resources	619,410	1,031,214	-	1,166,326
Fund Balances:				
Nonspendable	50,324	-	-	-
Restricted for:				
Capital Project Funding	-	-	-	-
Streets and Highways	-	-	-	-
Community Development	-	-	-	-
Community Business Promotion	-	-	295,879	-
Affordable Housing	-	5,238,391	-	-
Park Development	-	-	-	-
Debt Service	-	-	-	-
Committed for:				
City Facility Reserve	500,000	-	-	-
Capital Projects	280,911	-	-	-
Risk Management Reserve	250,000	-	-	-
Assigned				
General Fund Reserve	6,871,549	-	-	-
Capital Projects	20,402,853	-	-	-
Unassigned	9,256,820	-	-	(462,718)
Total fund balances	37,612,457	5,238,391	295,879	(462,718)
Total liabilities, deferred inflows of resources and fund balances	$ 41,479,096	$ 6,269,605	$ 1,446,356	$ 4,424,667

See accompanying Notes to Basic Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 2,574,322	$ 45,776,442
57	57
-	3,388,864
10,256	1,262,576
125,467	2,108,963
2,227	19,941
-	50,324
-	626,692
-	3,098,194
$ 2,712,329	$ 56,332,053
13,186	4,877,777
-	1,215,256
104,373	1,076,913
-	1,066,378
117,559	8,236,324
-	619,410
-	2,197,540
-	2,816,950
-	50,324
1,010,267	1,010,267
981,970	981,970
198,919	198,919
	295,879
-	5,238,391
291,202	291,202
111,563	111,563
-	500,000
-	280,911
-	250,000
-	6,871,549
849	20,403,702
-	8,794,102
2,594,770	45,278,779
$ 2,712,329	$ 56,332,053

See accompanying Notes to Basic Financial Statements.

City of Pismo Beach

Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position

June 30, 2022

Total Fund Balances - Total Governmental Funds		$ 45,278,779

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the Governmental Funds Balance Sheet. Except for the internal service funds reported below, the capital assets were adjusted as follows:

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Nondepreciable	$ 37,820,746	$ -	$ 37,820,746
Depreciable, net	54,622,758	(2,411,075)	52,211,683
Total capital assets	$ 92,443,504	$ (2,411,075)	90,032,429

Internal service funds were used by management to charge the costs of certain activities, such as insurance, to individual funds. The assets and liabilities of the Internal service funds were included in governmental activities in the Government-Wide Statement of Net Position. 7,009,529

Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements. 2,197,540

In the Government-Wide Financial Statements, deferred employer contributions for pension and OPEB, certain differences between actuarial estimates and actual results, and other adjustments resulting from changes in assumptions and benefits are deferred in the current year.

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Deferred outflows of resources related to pension	4,557,450	-	4,557,450
Deferred outflows of resources related to OPEB	458,683	-	458,683
Deferred inflows of resources related to pension	(7,270,438)	-	(7,270,438)
Deferred inflows of resources related to OPEB	(671,021)	-	(671,021)

Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.

	Government-Wide Statement of Net Position	Internal Service Funds	Total
Compensated absences - due within one year	$ (156,759)	$ 3,945	$ (152,814)
Long-term debt - due within one year	(326,008)	-	(326,008)
Compensated absences - due in more than one year	(470,277)	11,835	(458,442)
Claims (liability) asset, net	74,590	-	74,590
Long-term debt - due in more than one year	(10,254,075)	-	(10,254,075)
Net pension liability	(8,140,127)	-	(8,140,127)
Net OPEB asset (liability)	126,010	-	126,010
Total long-term liabilities	$ (19,146,646)	$ 15,780	(19,130,866)

Net Position of Governmental Activities	$ 122,462,085

See accompanying Notes to Basic Financial Statements.

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City of Pismo Beach

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2022

	General Fund	Special Revenue Funds: Housing In-Lieu	Special Revenue Funds: Lodging Business Improvement	Capital Projects
REVENUES:				
Property taxes	$ 6,479,633	$ -	$ -	$ -
Sales taxes	6,127,110	-	-	-
Transient occupancy taxes	17,010,748	-	-	-
Other taxes	1,147,530	-	-	-
Licenses and permits	1,356,373	-	-	-
Fines and forfeits	49,047	-	-	-
Subventions and grants	1,260,359	-	-	3,457,895
Investment earnings	(533,521)	(45,960)	(47,245)	-
Rental income	187,148	-	-	-
Charges for services	628,025	-	-	-
Special assessments	-	-	3,090,688	-
Miscellaneous	1,792,234	-	-	3,995
Total revenues	35,504,686	(45,960)	3,043,443	3,461,890
EXPENDITURES:				
Current:				
General government	7,198,958	-	1,398,254	-
Public safety	9,900,828	-	-	-
Highways and streets	1,022,670	-	-	-
Community services	2,365,609	-	-	-
Public works	2,658,662	-	-	-
Housing	-	12,108	-	-
Capital outlay	40,835	-	-	11,561,882
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	23,187,562	12,108	1,398,254	11,561,882
REVENUES OVER (UNDER) EXPENDITURES	12,317,124	(58,068)	1,645,189	(8,099,992)
OTHER FINANCING SOURCES (USES):				
Transfers in	246,850	-	-	7,023,461
Transfers out	(5,479,214)	-	-	-
Total other financing sources (uses)	(5,232,364)	-	-	7,023,461
Net change in fund balances	7,084,760	(58,068)	1,645,189	(1,076,531)
FUND BALANCES:				
Beginning of year	30,527,697	4,209,633	(1,349,310)	613,813
Restatement	-	1,086,826	-	-
Beginning of year, as restated	30,527,697	5,296,459	(1,349,310)	613,813
End of year	$ 37,612,457	$ 5,238,391	$ 295,879	$ (462,718)

See accompanying Notes to Basic Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 6,479,633
-	6,127,110
-	17,010,748
406,349	1,553,879
-	1,356,373
-	49,047
535,592	5,253,846
(51,212)	(677,938)
-	187,148
455,041	1,083,066
-	3,090,688
541,478	2,337,707
1,887,248	43,851,307
7,335	8,604,547
-	9,900,828
5,641	1,028,311
6,057	2,371,666
-	2,658,662
63,310	75,418
510,469	12,113,186
299,569	299,569
410,003	410,003
1,302,384	37,462,190
584,864	6,389,117
763,286	8,033,597
(2,025,532)	(7,504,746)
(1,262,246)	528,851
(677,382)	6,917,968
3,272,152	37,273,985
-	1,086,826
3,272,152	38,360,811
$ 2,594,770	$ 45,278,779

See accompanying Notes to Basic Financial Statements.

City of Pismo Beach

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities

For the year ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	$	6,917,968
Amounts reported for governmental activities in the Government-Wide Statement of Activities were different because:		
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated lives as depreciation expense. This was the amount of capital assets recorded in the current period, net of the amount related to internal service funds of $485,722.		12,187,080
Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but did not require the use of current financial resources. Therefore, depreciation expense was not reported as expenditures in the governmental funds, net of the amount related to internal service funds of $441,757.		(3,120,501)
Accrued compensated leave payments were reported as expenditures in the governmental funds, however expense is recognized in the Government-Wide Statement of Activities based on earned leave accruals.		(58,900)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position. Repayment of debt was an expenditure in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.		
Long-term debt repayments		314,414
Amortization of bonds premium (discount), net		6,154
Changes in actuarially determined claim liabilities for uninsured claims do not provide current financial resources and are not reported in the governmental funds.		736,052
Current year employer pension contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.		2,888,524
Pension expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.		(497,276)
Current year employer OPEB contributions are recorded as expenditures in the governmental funds, however, these amounts are reported as a deferred outflow of resources in the Government-Wide Statement of Net Position.		391,878
OPEB expense is reported in the Government-Wide Statement of Activities does not require the use of current financial resources, and therefore is not reported as expenditures in governmental funds.		19,456
Unavailable revenues recorded in the fund financial statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.		1,686,034
Internal service funds were used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net revenue of the internal service funds was reported with governmental activities.		196,239
Change in Net Position of Governmental Activities	$	21,667,122

See accompanying Notes to Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

Water Fund – This fund accounts for the operations of the City's water treatment and distribution system.

Wastewater Fund – This fund accounts for the operation of the City's wastewater treatment plant and collection facilities.

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

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

City of Pismo Beach
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-Type Activities			
	Water	Wastewater	Pier	Parking
ASSETS				
Current Assets:				
Cash and investments	$ 8,248,749	$ 9,955,107	$ 23,454	$ 5,316,349
Accounts receivable	1,009,026	1,112,519	869	118,423
Accrued interest receivable	4,839	6,345	-	2,631
Lease receivable	-	-	45,421	3,398
Total current assets	9,262,614	11,073,971	69,744	5,440,801
Noncurrent:				
Advances to other funds	-	-	-	-
Lease receivable	-	-	108,467	-
Net OPEB asset	16,353	22,214	-	3,840
Capital assets:				
Land	1,930,563	214,759	33,425	900,646
Construction in progress	1,990,894	2,909,523	-	-
Improvements and buildings	8,072,976	29,643,752	400,236	1,527,690
Vehicles	-	-	-	-
Distribution and collection systems	3,290,667	8,443,809	-	-
Equipment	8,416,960	1,499,431	-	128,909
Pier	-	-	8,446,738	-
Less accumulated depreciation	(9,606,418)	(16,817,637)	(642,427)	(340,102)
Net capital assets	14,095,642	25,893,637	8,237,972	2,217,143
Total noncurrent assets	14,111,995	25,915,851	8,346,439	2,220,983
Total assets	23,374,609	36,989,822	8,416,183	7,661,784
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	261,922	356,214	-	62,861
Deferred outflows - OPEB	59,527	80,861	-	13,978
Unamortized loss on refunding	-	151,514	-	-
Total deferred outflows of resources	321,449	588,589	-	76,839
LIABILITIES				
Current liabilities:				
Accounts payable	197,367	227,316	3,536	13,428
Accrued liabilities	26,979	31,433	-	19,463
Deposits	159,229	-	9,600	-
Accrued interest payable	-	26,541	-	-
Leases	-	-	-	64,935
Compensated absences - current	7,915	8,324	-	1,946
Long-term debt - current portion	-	924,311	-	-
Total current liabilities	391,490	1,217,925	13,136	99,772
Noncurrent liabilities:				
Compensated absences	23,744	24,970	-	5,837
Net pension liability	467,823	636,240	-	112,278
Bonds and loans	-	6,821,621	-	-
Total noncurrent liabilities	491,567	7,482,831	-	118,115
Total liabilities	883,057	8,700,756	13,136	217,887
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	417,841	568,264	-	100,282
Deferred inflows - OPEB	87,084	118,294	-	20,448
Leases	-	-	151,398	3,396
Total deferred inflows of resources	504,925	686,558	151,398	124,126
NET POSITION				
Net investment in capital assets	14,095,642	18,147,705	8,237,972	2,152,208
Restricted	612,233	624,964	-	-
Unrestricted	7,600,201	9,418,428	13,677	5,244,402
Total net position	$ 22,308,076	$ 28,191,097	$ 8,251,649	$ 7,396,610

See accompanying Notes to Basic Financial Statements.

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ 28,160	$ 23,571,819	$ 3,680,565
-	2,240,837	-
28	13,843	2,341
-	48,819	-
28,188	25,875,318	3,682,906
-	-	1,066,378
-	108,467	-
-	42,407	-
-	3,079,393	-
-	4,900,417	-
-	39,644,654	-
-	-	5,547,983
-	11,734,476	-
-	10,045,300	862,335
-	8,446,738	-
-	(27,406,584)	(3,999,243)
-	50,444,394	2,411,075
-	50,595,268	3,477,453
28,188	76,470,586	7,160,359
-	680,997	-
-	154,366	-
-	151,514	-
-	986,877	-
-	441,647	125,659
-	77,875	9,391
-	168,829	-
-	26,541	-
-	64,935	-
-	18,185	3,945
-	924,311	-
-	1,722,323	138,995
-	54,551	11,835
-	1,216,341	-
-	6,821,621	-
-	8,092,513	11,835
-	9,814,836	150,830
-	1,086,387	-
-	225,826	-
-	154,794	-
-	1,467,007	-
-	42,633,527	2,411,075
28,188	1,265,385	-
-	22,276,708	4,598,454
$ 28,188	$ 66,175,620	$ 7,009,529

See accompanying Notes to Basic Financial Statements.

City of Pismo Beach

Statement of Revenues, Expenses and Changes in Net Position

Proprietary Funds

For the year ended June 30, 2022

	Business-Type Activities			
	Water	Wastewater	Pier	Parking
OPERATING REVENUES:				
Sales of water	$ 5,241,542	$ -	$ -	$ -
Service fees	527,530	6,051,095	82,842	2,804,293
Miscellaneous	193,565	19,844	-	685
Total operating revenues	5,962,637	6,070,939	82,842	2,804,978
OPERATING EXPENSES:				
Salaries and benefits	617,016	759,404	-	238,083
Purchased power	151,363	-	15,627	-
Services and supplies	1,668,123	1,902,788	52,048	313,662
Customer accounting	46,092	43,293	-	-
Joint operating expenses	2,942,949	25,502	-	-
Depreciation and amortization	392,481	1,504,214	184,948	152,033
Total operating expenses	5,818,024	4,235,201	252,623	703,778
Operating income (loss)	144,613	1,835,738	(169,781)	2,101,200
NONOPERATING REVENUES (EXPENSES):				
Property and special taxes	1,482,864	-	-	-
Grant revenues	508	348	-	-
Gain (loss) on disposal of capital assets	-	(1,327)	-	-
Investment earnings	(299,481)	(397,027)	351	(181,184)
Interest expense	-	(203,220)	-	-
Total nonoperating revenues (expenses)	1,183,891	(601,226)	351	(181,184)
Income before contributions and transfers	1,328,504	1,234,512	(169,430)	1,920,016
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	-	42,722	513	-
Transfers out	(750,556)	(439,958)	-	(122,300)
Capital contributions	48,202	-	-	-
Total contributions and transfers	(702,354)	(397,236)	513	(122,300)
Change in net position	626,150	837,276	(168,917)	1,797,716
NET POSITION:				
Beginning of year	21,681,926	27,353,821	8,420,566	5,598,894
End of year	$ 22,308,076	$ 28,191,097	$ 8,251,649	$ 7,396,610

See accompanying Notes to Basic Financial Statements.

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ -	$ 5,241,542	$ -
-	9,465,760	1,335,813
-	214,094	-
-	14,921,396	1,335,813
-	1,614,503	308,566
-	166,990	-
857	3,937,478	1,077,460
-	89,385	-
-	2,968,451	-
-	2,233,676	441,757
857	11,010,483	1,827,783
(857)	3,910,913	(491,970)
-	1,482,864	-
-	856	-
-	(1,327)	-
(856)	(878,197)	(52,519)
-	(203,220)	-
(856)	400,976	(52,519)
(1,713)	4,311,889	(544,489)
-	43,235	740,728
-	(1,312,814)	-
-	48,202	-
-	(1,221,377)	740,728
(1,713)	3,090,512	196,239
29,901	63,085,108	6,813,290
$ 28,188	$ 66,175,620	$ 7,009,529

See accompanying Notes to Basic Financial Statements.

City of Pismo Beach

Combining Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2022

	Business-Type Activities			
	Water	Wastewater	Pier	Parking
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 5,912,833	$ 5,957,519	$ 80,395	$ 2,792,363
Receipts from other funds for services	-	-	-	-
Payments to suppliers for goods and services	(4,290,246)	(2,099,275)	(65,513)	(313,746)
Payments to employees for wages and benefits	(784,548)	(1,010,283)	-	(277,446)
Net cash provided by (used in) operating activities	838,039	2,847,961	14,882	2,201,171
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property and special taxes	1,482,864	-	-	-
Grants from other agencies	508	348	-	-
Advances to other funds	-	-	-	-
Transfers from other funds	-	42,722	513	-
Transfers to other funds	(750,556)	(439,958)	-	(122,300)
Net cash provided by (used in) noncapital financing activities	732,816	(396,888)	513	(122,300)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Receipts for leases	19,800	-	-	40,789
Payments on long-term debt principal	-	(679,626)	-	(67,801)
Interest paid on long-term debt	-	(209,045)	-	-
Capital contributions	48,202	-	-	-
Purchase of capital assets	(1,965,263)	(676,439)	-	(1)
Net cash provided by (used in) capital and related financing activities	(1,897,261)	(1,565,110)	-	(27,013)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	54,924	56,508	351	19,969
Loss on investments	(376,741)	(456,947)	-	(243,311)
Net cash provided by (used in) investing activities	(321,817)	(400,439)	351	(223,342)
Net cash flows	(648,223)	485,524	15,746	1,828,516
CASH AND INVESTMENTS - Beginning of year	8,896,972	9,469,583	7,708	3,487,833
CASH AND INVESTMENTS - End of year	$ 8,248,749	$ 9,955,107	$ 23,454	$ 5,316,349
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ 144,613	$ 1,835,738	$ (169,781)	$ 2,101,200
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	392,481	1,504,214	184,948	152,033
Accounts receivable	(40,716)	(113,420)	43	(12,615)
Leases receivable	-	-	42,929	-
Prepayments	517,650	-	-	-
Deferred outflows of resources - pensions	(39,029)	(53,438)	-	(10,524)
Deferred outflows of resources - OPEB	(25,659)	(34,855)	-	(6,025)
Accounts payable	(10,380)	(137,914)	2,162	(14,213)
Accrued liabilities	11,011	10,222	-	14,129
Deposits	(9,088)	-	-	-
Compensated absences	3,961	(18,926)	-	(2,332)
Net pension liability	(427,084)	(579,395)	-	(97,855)
Net OPEB liability	(77,363)	(105,090)	-	(18,166)
Deferred inflows of resources - pension	348,002	473,395	-	83,883
Deferred inflows of resources - OPEB	49,640	67,430	-	11,656
Deferred inflows of resources - leases	-	-	(45,419)	-
Net cash provided by (used in) operating activities	$ 838,039	$ 2,847,961	$ 14,882	$ 2,201,171

See accompanying Notes to Basic Financial Statements.

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ -	$ 14,743,110	$ -
-	-	1,335,813
(1,129)	(6,769,909)	(1,088,532)
-	(2,072,277)	(309,785)
(1,129)	5,900,924	(62,504)
-	1,482,864	-
-	856	
-	-	1,245,321
-	43,235	740,728
-	(1,312,814)	-
-	214,141	1,986,049
-	60,589	-
-	(747,427)	-
-	(209,045)	-
-	48,202	-
-	(2,641,703)	(485,722)
-	(3,489,384)	(485,722)
41	131,793	5,300
(913)	(1,077,912)	(82,133)
(872)	(946,119)	(76,833)
(2,001)	1,679,562	1,360,990
30,161	21,892,257	2,319,575
$ 28,160	$ 23,571,819	$ 3,680,565
$ (857)	$ 3,910,913	$ (491,970)
-	2,233,676	441,757
-	(166,708)	-
-	42,929	-
-	517,650	-
-	(102,991)	-
-	(66,539)	-
(272)	(160,617)	(11,072)
-	35,362	3,505
-	(9,088)	-
-	(17,297)	(4,724)
-	(1,104,334)	-
-	(200,619)	-
-	905,280	-
-	128,726	-
-	(45,419)	-
$ (1,129)	$ 5,900,924	$ (62,504)

See accompanying Notes to Basic Financial Statements.

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FIDUCIARY FUND FINANCIAL STATEMENTS

Custodial Fund – This fund accounts for collections for the 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.

City of Pismo Beach
Statement of Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2022

	Custodial Fund San Luis Obispo County Tourism Fund
ASSETS	
Cash and investments	$ 178,441
Accounts receivable	250,082
Total assets	428,523
LIABILITIES	
Due to other governmental agencies	428,523
Total liabilities	428,523
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	-
Total Net Position	$ -

See accompanying Notes to Basic Financial Statements.

City of Pismo Beach

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the year ended June 30, 2022

	Custodial Fund San Luis Obispo County Tourism Fund
ADDITIONS:	
Assessments collections for other governments	$ 2,318,114
Total additions	2,318,114
DEDUCTIONS:	
Payments of assessments to other governments	2,318,114
Total deductions	2,318,114
Change in net position	-
NET POSITION:	
Beginning of year	-
End of year	$ -

See accompanying Notes to Basic Financial Statements.

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NOTES TO BASIC FINANCIAL STATEMENTS

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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") and the Pismo Beach Public Financing Agency (the "Agency") 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 and the Agency were formed to provide a method of financing public improvements. The City has identified the Authority and the Agency 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 and the Agency 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 nonmajor funds, are combined and reported in a single column, regardless of their fund type.

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.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

The City reports the following major governmental funds:

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

Housing In-Lieu Fee Fund - 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 - used to account for monies raised to promote City lodging businesses.

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

The City reports the following major proprietary funds:

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

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

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

Parking Fund - 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.

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.

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

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, 2022, the application of valuation techniques applied to the City's financial statements has been consistent.

Interfund Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as with "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable government funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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:

Type	Useful Life (years)
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 assests that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has deferred outflows of resources related to unamortized loss on refunding, pension and OPEB related items.

Compensated Absences

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

Long-Term Liabilities

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

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Pensions

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, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Deferred Inflows of Resources

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources which represents an acquisition of net assets 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 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.

Fund Balances - Governmental Funds

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

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

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

Fund Balances - Governmental Funds, Continued

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

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

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

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

Unassigned - These are residual amounts reported in the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other government funds it is not appropriate to report a positive unassigned fund balance amount. However, in the government funds other than the general fund, if expenditures incurred for a specific purpose exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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

The City maintains two reserves as part of their committed fund balance, the City Facility Reserve(CFR) and Risk Management Reserve (RMR), and one reserve as part of their assigned fund balance, the General Fund Reserve (GFR). 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, 2022 the balance in the GFR was $6,871,549. 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, 2022, the balance in the CFR was $500,000. The RMR policy requires that $50,000 be set aside each year up to $250,000 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, 2022, the balance in the RMR was $250,000.

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

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.

E. Property Taxes

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.

F. New Pronouncements

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

- GASB Statement No. 87, *Leases* – The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The City added several leases to the Proprietary Fund and Government-Wide Financial Statements, changing the beginning balances of lease liabilities and capital assets and updated the note disclosures as a result of implementing this statement.

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

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

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

F. New Pronouncements, Continued

- GASB Statement No. 93, *Interbank offered rates (LIBOR removal and lease modifications)* – The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an interbank offered rate. The requirements of this statement did not apply to the City for the current fiscal year.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans* – The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City added a note disclosure in Note 7 as a result of implementing this statement.
- GASB Statement No. 99, *Omnibus 2022* – The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.. The requirements of this statement did not apply to the City for the current fiscal year.

2. CASH AND INVESTMENTS

At June 30, 2022, cash and investments consisted of the following:

Statement of Net Position:		
Cash and Investments	$	73,028,826
Restricted Cash and Investments		57
Statement of Fiduciary Net Position:		
Cash and Cash Equivalents		178,441
Total Cash and Investments	$	73,207,324

Cash	$	20,191,931
Cash Held by Fiscal Agents		57
Investments		53,015,336
Total Cash and Investments	$	73,207,324

A. 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 negotiable CDs totaled $31,228,717 at June 30, 2022 and were insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

2. CASH AND INVESTMENTS, Continued

A. Custodial Credit Risk – Deposits, Continued

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.

B. 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, 2022:

	Fair Value	Quoted Prices In Active Market For Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Signfigant Unobservable Inputs (Level 3)
Investments by Fair Value Hierarchy:				
Negotiable Certificates of Deposit	$ 10,815,429	$ -	$ 10,815,429	$ -
US Government Agency Obligations	17,919,185	-	17,919,185	-
Municipal Bonds	2,172,833	-	2,172,833	-
Corporate Bonds	3,062,160	-	3,062,160	-
Total Investments by Fair Value Hierarchy	33,969,607	$ -	$ 33,969,607	$ -
Investment Not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund	19,045,729			
Total Investments Not Subject to Fair Value	19,045,729			
Total Investments Measured at Fair Value	$ 53,015,336			

C. 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 factor. The City's investments with LAIF at June 30, 2022, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

2. CASH AND INVESTMENTS, Continued

C. Local Agency Investment Fund, Continued

Structured Notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or have embedded forwards or options.

Asset-Backed Securities – the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City had $19,045,729 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 2.31% in the previous year. The LAIF fair value factor of 0.987125414 was used to calculate the fair value of the investments in LAIF.

D. 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.

E. 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, 2022 maturities were as follows for the City's investments:

Liquidity	Amount
FY 2022-23	$ 27,349,075
FY 2023-24	1,111,910
FY 2024-25	8,670,280
FY 2025-26	7,633,060
FY 2026-27	8,251,011
Total Investments	$ 53,015,336

2. CASH AND INVESTMENTS, Continued

F. 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 22% of the City's investments at June 30, 2022. These U.S. government-sponsored enterprise agency securities are not explicitly guaranteed by the U.S. Government.

G. 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, 2022, credit risk ratings were as follows for the City's investments:

	Rating (S&P)	Fair Value
State Local Agency Investment Fund	Unrated	$ 19,045,729
Negotiable Certificates of Deposit	Unrated	10,815,429
U.S. Treasury Notes	Unrated	5,993,700
U.S. Government Agency Obligations	AA+	11,925,485
Municipal Obligations	AA	764,557
Municipal Obligations	AA-	862,164
Municipal Obligations	Unrated*	546,112
U.S. Corporate Bonds	AA+	980,580
U.S. Corporate Bonds	AA-	244,418
U.S. Corporate Bonds	A+	681,802
U.S. Corporate Bonds	A-	466,260
U.S. Corporate Bonds	A	689,100
Total Investment		$ 53,015,336

* Rated Aa1 by Moody's

3. 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, 2022, the current principal balance and accrued interest on the note receivable were $1,086,826 and $388,197, respectively.

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, 2022, the current principal balance on the note receivable was $980,154 (current drawdowns) and $419,341 for deferred fees.

3. NOTE RECEIVABLE, Continued

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, 2022, the current principal balance on the note receivable was $0 (no drawdowns) and $223,676 for deferred fees.

4. LEASE RECEIVABLE

In implementing GASB Statement 87 in the fiscal year 2022, the City recognized a lease receivable and deferred inflows of resources for the leasing of various City-owned structures and land. The City recognized revenues of $228,530 from these leases and associated interest.

The following tables is a summary of the various leases that make up the balance of lease receivables:

Governmental Activities:

Description	Payment Terms	Lease End	Interest Rate	Receivable as of June 30, 2022
BDC Lease	$1,417 monthly, increasing to $1,548 in May 2023	5/31/2024	0.31%	$ 35,492
Capital-Ad Venture	$1,995 monthly	5/31/2023	0.22%	21,921
Charter	$3,075 monthly, increasing 3% every January	11/30/2026	0.19%	167,151
Difronzo	$4,728 annually	6/30/2028	0.22%	28,153
Edward Jones	$1,861 monthly, increasing annually to $2,095 by 2025	10/31/2030	0.46%	202,628
Vertical Bridge	$2,502 monthly	8/23/2027	0.19%	171,347
Total				$ 626,692

Business-Type Activities:

Description	Payment Terms	Lease End	Interest Rate	Receivable as of June 30, 2022
Airstreams	$3,500 monthly, increasing to $3,660 in November 2021 and $3,884 in November 2022. Additonally, 2% of gross receipts exceeding monthly base fee.	10/31/2025	0.22%	$ 153,888
330 Main Street	$3,399 monthly	7/31/2022	0.19%	3,398
Total				$ 157,286

4. LEASE RECEIVABLE, Continued

The Pier Fund's primary purpose is to rent out the Pismo Beach Pier to other entities. In the fiscal year ended June 30, 2022, the City recognized $24,637 in additional payments over the base lease payments in the Pier Fund. The following is the payment schedule for the leases of the City's two Airstreams:

Year Ending June 30,	Principal	Interest	Total
2023	$ 45,421	$ 291	$ 45,712
2024	46,418	190	46,608
2025	46,519	89	46,608
2026	15,530	7	15,537
Total	$ 153,888	$ 577	$ 154,465

5. CAPITAL ASSETS

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

	Balance June 30, 2021	Additions	Transfers/ Deletions	Balance June 30, 2022
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 17,848,795	$ 840,000	$ -	$ 18,688,795
Right-of-Way - Street System	5,068,528	-	-	5,068,528
Construction in Progress	13,984,296	8,736,288	(8,657,161)	14,063,423
Total Capital Assets, Not Being Depreciated	36,901,619	9,576,288	(8,657,161)	37,820,746
Capital Assets, Being Depreciated				
Buildings	7,024,159	-	-	7,024,159
Machinery and Equipment	3,323,096	24,736	-	3,347,832
Right-to-use asset - Equipment	75,275	-	-	75,275
Vehicles	5,719,011	467,336	-	6,186,347
Improvements	12,203,529	429,476	864,412	13,497,417
Infrastructure - Street System	72,030,474	2,174,965	7,762,006	81,967,445
Total Capital Assets, Being Depreciated, as restated	100,375,544	3,096,513	8,626,418	112,098,475
Accumulated Depreciation and Amortization:				
Buildings	(3,374,293)	(115,739)	-	(3,490,032)
Machinery and Equipment	(2,658,340)	(233,173)	-	(2,891,513)
Right-to-use asset - Equipment	-	(14,999)	-	(14,999)
Vehicles	(3,435,677)	(406,155)	-	(3,841,832)
Improvements	(6,473,361)	(626,842)	30,743	(7,069,460)
Infrastructure - Street System	(38,008,134)	(2,159,747)	-	(40,167,881)
Total Accumulated Depreciation and Amortization	(53,949,805)	(3,556,655)	30,743	(57,475,717)
Total Capital Assets, Being Depreciated, Net, as restated	46,425,739	(460,142)	8,657,161	54,622,758
Net Capital Assets, Governmental Activities, as restated	$ 83,327,358	$ 9,116,146	$ -	$ 92,443,504

5. CAPITAL ASSETS, Continued

	Balance June 30, 2021	Additions	Transfers/ Deletions	Balance June 30, 2022
Business-type Activities:				
Capital Assets, Not Being Depreciated				
Land	$ 3,079,393	$ -	$ -	$ 3,079,393
Construction in Progress	3,019,720	1,880,697	-	4,900,417
Total Capital, Assets, Not Being Depreciated	6,099,113	1,880,697	-	7,979,810
Capital Assets, Being Depreciated:				
Buildings	15,202,876	-	-	15,202,876
Improvements	24,272,976	36,066	-	24,309,042
Right-to-use - Improvements	132,736	-	-	132,736
Equipment	9,818,367	272,043	(45,110)	10,045,300
Lines and Mains	11,268,227	466,249	-	11,734,476
Pier	8,446,738	-	-	8,446,738
Total Capital Assets, Being Depreciated, as restated	69,141,920	774,358	(45,110)	69,871,168
Accumulated Depreciation				
Buildings	(4,233,897)	(306,883)	-	(4,540,780)
Improvements	(7,402,384)	(1,268,738)	-	(8,671,122)
Right-to-use - Improvements	-	(72,402)	-	(72,402)
Equipment	(8,103,141)	(201,801)	30,430	(8,274,512)
Lines and Mains	(5,016,350)	(214,915)	-	(5,231,265)
Pier	(447,566)	(168,937)	-	(616,503)
Total Accumulated Depreciation	(25,203,338)	(2,233,676)	30,430	(27,406,584)
Total Capital Assets, Being Depreciated, Net, as restated	43,938,582	(1,459,318)	(14,680)	42,464,584
Net Capital Assets, Business-type Activities, as restated	$ 50,037,695	$ 421,379	$ (14,680)	$ 50,444,394

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	$ 404,982
Public Safety	204,186
Community Services	253,882
Infrastructure	2,251,848
Internal Services Fund	441,757
Total Depreciation - Governmental Activities	$ 3,556,655

5. CAPITAL ASSETS, Continued

Business-Type Activities:	
Water	$ 392,481
Wastewater	1,504,214
Pier	184,948
Parking	152,033
Total Depreciation - Business-type Activities	$ 2,233,676

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, 2022, compensated absences of the internal service fund were $15,780.

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, 2022 was as follows:

	Balance June 30, 2021	Additions	Deductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 572,860	$ 93,874	$ (39,698)	$ 627,036	$ 156,759
Leases	75,275	-	(14,845)	60,430	14,902
Lease Revenue Bonds	10,659,229	-	(299,569)	10,359,660	311,106
Unamortized Bond Premiums	166,147	-	(6,154)	159,993	-
Total Long-term Debt Governmental Activities	$ 11,473,511	$ 93,874	$ (360,266)	$ 11,207,119	$ 482,767
Business-Type Activities:					
Compensated Absences	$ 90,033	$ 4,488	$ (21,785)	$ 72,736	$ 18,185
Leases	132,736	-	(67,801)	64,935	64,935
Revenue Refunding Bonds	3,845,000	-	(255,000)	3,590,000	270,000
Unamortized Bond Premium	243,107	-	(20,259)	222,848	-
State Revolving Loans from Direct Borrowings	4,351,227	226,255	(644,398)	3,933,084	654,311
Total Long-term Debt Business-type Activities	$ 8,662,103	$ 230,743	$ (1,009,243)	$ 7,883,603	$ 1,007,431

6. LONG-TERM DEBT, Continued

A. 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, 2022, the unamortized premium was $159,993.

At June 30, 2022, future minimum principal and interest payments on the 2017 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 155,000	$ 246,487	$ 401,487
2024	160,000	238,613	398,613
2025	170,000	230,362	400,362
2026	180,000	221,613	401,613
2027	190,000	213,312	403,312
2028-2032	1,060,000	944,963	2,004,963
2033-2037	1,275,000	730,412	2,005,412
2038-2042	1,500,000	505,700	2,005,700
2043-2047	1,770,000	227,294	1,997,294
2048	390,000	6,825	396,825
Total	6,850,000	3,565,581	10,415,581

B. 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 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

B. 2017B Lease Revenue Bonds, Continued

At June 30, 2022, future minimum principal and interest payments on the 2017B bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	185,234	120,196	305,430
2028-2032	1,054,903	469,436	1,524,339
2033-2037	1,306,444	212,399	1,518,843
2038	296,520	6,479	302,999
Total	3,509,660	1,365,298	4,874,958

C. 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 semiannual installments each June 30 and December 30 through 2032.

At June 30, 2022, future minimum principal and interest payments on the 2012 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	315,000	74,250	389,250
2028-2032	1,740,000	212,236	1,952,236
2033	385,000	6,641	391,641
Total	$ 3,590,000	$ 703,009	$ 4,293,009

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, 2022, the unamortized premium was $222,848.

6. LONG-TERM DEBT, Continued

C. Wastewater Refunding Revenue Bonds, Series 2012, Continued

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, 2022, principal and interest paid, and total net revenues were $390,988 and $3,339,952, respectively. The remaining balance of principal and interest to be paid on the bonds is $4,293,009.

D. 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, 2022, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 567,231	$ 42,029	$ 609,260
2024	577,458	31,801	609,259
2025	587,870	21,390	609,260
2026	598,469	10,790	609,259
Total	$ 2,331,028	$ 106,010	$ 2,437,038

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 the park cypress interceptor.

At June 30, 2022, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 13,845	$ 802	$ 14,647
2024	14,107	539	14,646
2025	14,375	272	14,647
Total	$ 42,327	$ 1,613	$ 43,940

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 financing the Pismo Oaks Lift Station.

6. LONG-TERM DEBT, Continued

D. State Revolving Fund Loans from Direct Borrowings, Continued

At June 30, 2022, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
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	39,719	2,187	41,906
2028-2029	81,600	2,213	83,813
Total	$ 273,285	$ 20,061	$ 293,346

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 the Five Cities Lift Station. As of June 30, 2022, $2,392,319 had been drawn down. In 2020, $1,050,000 was forgiven.

At June 30, 2022, future minimum principal and interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2023	$ 36,256	$ 21,870	$ 58,126
2024	36,873	21,253	58,126
2025	37,499	20,626	58,125
2026	38,137	19,989	58,126
2027	38,785	19,341	58,126
2028-2032	204,043	86,585	290,628
2033-2037	221,986	68,642	290,628
2038-2042	241,508	49,121	290,629
2043-2047	262,746	27,882	290,628
2048-2050	168,611	5,765	174,376
Total	$ 1,286,444	$ 341,074	$ 1,627,518

E. 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, 2022, payments made on the loans, and total system net revenues were $723,938 and $3,339,952, respectively. The remaining principal and interest to be paid on the loans are $4,401,842.

6. LONG-TERM DEBT, Continued

F. Leases

At June 30, 2022, the City had long-term leases of office equipment used in the General Fund and a parking lot in the Parking Fund.

Office Equipment

The City lease of copiers runs through May 2026 at a 0.5773% interest rate. Payments are $1,112 monthly for the life of the lease. At June 30, 2022, the lease liability on the copiers was $51,685. The following is a schedule of annual principal and interest payments on this lease as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	$ 13,085	$ 264	$ 13,349
2024	13,161	188	13,349
2025	13,238	112	13,350
2026	12,201	35	12,236
Total	$ 51,685	$ 599	$ 52,284

The City also leases a postage meter that goes through March 2027 at a 0.7030% interest rate. Quarterly payments are $468 for the life of the lease. At June 30, 2022, the lease liability on the postage meter was $8,745. The following is a schedule of annual principal and interest payments on this lease as of June 30, 2022:

Year Ending June 30,	Principal	Interest	Total
2023	$ 1,817	$ 57	$ 1,874
2024	1,830	44	1,874
2025	1,842	31	1,873
2026	1,856	18	1,874
2027	1,400	5	1,405
Total	$ 8,745	$ 155	$ 8,900

Parking Lot

The Parking Fund has a long-term lease of a parking lot that terminates in April 2023. Payments were monthly in an amount of $5,500, increasing to $6,500 May 2022. The interest rate on the lease is 0.2177%. At June 30, 2022, the lease liability on the parking lot was $64,035. In fiscal year 2023, the City will pay $64,035 in principal and $65 in interest to close out the lease.

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

The Plan's provisions and benefits in effect at June 30, 2022, 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	0.00%	0.00%
Final Average Compensation Period	3-Year Average	3-Year Average
Required Unfunded Accrued Liability Payment (UAL)	$132,349	$2,256

7. PUBLIC EMPLOYEES RETIREMENT PLAN, Continued

A. General Information, Continued

	Safety - Police		
	Tier 1	**Tier 2**	**PEPRA**
Hire Date	Prior to January 1, 2013	On or After December 17, 2012	On or After January 1, 2013
Benefit Formulas	3% 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	23.71%	20.64%	13.1%
Employer Share Paid by Employee	-3.0%	-3.0%	-0.5%
Final Average Compensation Period	Single Highest Year	3-Year Average	3-Year Average
Required Unfunded Accrued Liability Payment (UAL)	$562,321	$8,088	$25,801

	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	12.20%	8.65%	7.59%
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
Required Unfunded Accrued Liability Payment (UAL)	$723,295	$31,072	$42,916

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

The City's contributions to the Plan for the measurement period ended June 30, 2021 were as follows:

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

7. PUBLIC EMPLOYEES RETIREMENT PLAN, Continued

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

As of June 30, 2022, 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	$ 4,937,155	$ 4,419,313	$ 9,356,468

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability of the Plan. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's plan liability and asset-related information where available, and proportional allocations of individual plan amounts as of the valuation date where not available.

The City's proportionate share of the net pension liability for the Plan as of the measurement dates June 30, 2020 and 2021 were as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2020	0.21850%	0.12967%	0.16411%
Proportion - June 30, 2021	0.20010%	0.12592%	0.17300%
Change - Increase/(Decrease)	-0.01840%	-0.00375%	0.00889%

For the year ended June 30, 2022, the City recognized pension expense of $626,849. At June 30, 2022, 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	$ 1,713,157	$ -
Changes in Assumptions	-	-
Differences Between Expected and Actual Experience	553,650	-
Differences Between Projected and Actual Investment Earnings	-	(4,309,875)
Difference Between Employer's Contributions and Proportionate Share of Contributions	-	(447,311)
Change in Employer's Proportion	232,439	-
Total	$ 2,499,246	$ (4,757,186)

7. PUBLIC EMPLOYEES RETIREMENT PLAN, Continued

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

	Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 1,606,985	$ -
Changes in Assumptions	-	-
Differences Between Expected and Actual Experience	755,035	
Differences Between Projected and Actual Investment Earnings	-	(2,630,341)
Difference Between Employer's Contributions and Proportionate Share of Contributions	2,219	(928,616)
Change in Employer's Proportion	440,379	(106,099)
Total	$ 2,804,618	$ (3,665,056)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 3,320,142	$ -
Changes in Assumptions	-	-
Differences Between Expected and Actual Experience	1,308,685	-
Differences Between Projected and Actual Investment Earnings	-	(6,940,216)
Difference Between Employer's Contributions and Proportionate Share of Contributions	-	(1,373,708)
Change in Employer's Proportion	609,620	(42,901)
Total	$ 5,238,447	$ (8,356,825)

$3,320,142 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30,	Deferred Outflows (Inflows) of Resources
2023	$ (1,488,117)
2024	(1,482,276)
2025	(1,553,266)
2026	(1,914,861)

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, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increase	Varies by Entry Age and Service
Post Retirement Benefit Increase(1)	See note
Mortality Rate Table	Derived using CalPERS' membership data for all funds

(1) Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

The Mortality Rate Table used was developed based on CalPERS specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability for the Plan was 7.15%. 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. A detailed report testing these projections can be obtained from the CalPERS website.

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

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 and forecasted information for all the funds' asset classes, expected compound (geometric) 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.

7. PUBLIC EMPLOYEES RETIREMENT PLAN, Continued

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

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of allocation. These rates of return are net of administrative expenses.

Asset Class(1)	New Strategic Allocation	Real Return Years 1-10(2)	Real Return Years 11+(3)
Global Equity	50.0%	4.8%	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 Systems'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 Gobal Debt Securities.
(2) An expected inflation of 2.0% used for this period.
(3) An expected inflation of 2.92% used for this period.

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 Liabilitiy	$ 10,316,325	$ 9,619,790	$ 19,936,115
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	$ 4,937,155	$ 4,419,313	$ 9,356,468
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	$ 490,272	$ 147,764	$ 638,036

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, 2022, the City reported a payable of $0, for the outstanding amount of contributions to the pension plan for the year ended June 30, 2022.

7. PUBLIC EMPLOYEES RETIREMENT PLAN, Continued

D. Defined Contribution Pension Plan

The City contributes to one of two different defined contribution pension plans for its full-time employees in the various bargaining units. Employees may elect to enroll in either ICMA Retirement Corporation or CalPERS 457 Deferred Compensation Plan ("457 Plan"). Both plans are administered by the respective contracting plan agencies. Benefit terms, including contribution requirements, for the 457 Plan are established and may be amended by the City Council. The City is required to contribute a flat amount, to individual employee accounts for each participating employee. Contribution levels are as follows by employee bargaining unit:

Bargaining Unit	City Annual Contribution
SEIU	$1,500
POA	$1,500
Supervisory/Technical and Mid-Management	$7,000
Management Employees	$14,000
City Manager	IRS maximum ($20,000) up to $27,500
Council Members	$12

Employees are permitted to make contributions up to applicable Internal Revenue Code limits. For the year ended June 30, 2022, employee contributions totaled $205,782, and the City recognized pension expense $249,923.

Employees are immediately vested in their own, and City, contributions and earnings on those contributions.

The City had no liability to the 457 Plan as of June 30, 2022.

8. OTHER POST EMPLOYMENT BENEFITS (OPEB)

A. 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.

B. 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

B. Employees Covered

As of June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	96
Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to, but not yet receiving benefits	32
Total	172

C. Contributions

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

D. Net OPEB Liability/(Asset)

The City's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021 based on the following actuarial methods and assumptions:

Actuarial Assumptions	
Discount Rate	6.25%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	6.25%
Mortality Improvement	Mortality projected fully generational with Scale MP-2021
Mortality, Retirement, Disability, Termination	CalPERS 1997-2015 Experience Study
Healthcare Trend Rate	Non-Medicare: 6.75% for 2022, decreasing to 3.75% in 2076 Medicare: 4.75-5.85% depending on supplemental plan for 2022, decreasing to 3.75% in 2076 PEMHCA: 4.00%

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

D. 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%	4.56%
Fixed Income	25.0%	0.78%
TIPS	5.0%	-0.08%
REITS	8.0%	4.06%
Commodities	3.0%	1.22%
Total	100.0%	

E. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 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

F. 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, 2021 (Measurement Date June 30, 2020)	$ 4,353,187	$ 3,724,866	$ 628,321
Changes Recognized for the Measurement Period:			
Service Cost	136,768		136,768
Interest	293,572		293,572
Actual vs. Expected Experience	(24,620)		(24,620)
Changes in Assumptions	101,519		101,519
Contributions - Employer		282,491	(282,491)
Net Investment Income		1,023,906	(1,023,906)
Benefit Payments	(281,480)	(281,480)	-
Administration Expense		(2,420)	2,420
Net Changes	225,759	1,022,497	(796,738)
Balance at June 30, 2022 (Measurement Date June 30, 2021)	$ 4,578,946	$ 4,747,363	$ (168,417)

G. 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 (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liablity/(Asset)	$ 370,728	$ (168,417)	$ (618,338)

H. 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)	$ (470,991)	$ (168,417)	$ 246,437

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

I. 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.

J. 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 reamining service lifetime (EARSL)

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

For the fiscal year ended June 30, 2022, the City recognized OPEB income of $26,005. As of fiscal year ended June 30, 2022, 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	$ -	$ (332,066)
Changes in assumptions	89,288	(9,851)
Net differences between projected and actual earnings on OPEB plan investments	-	(554,930)
OPEB Contributions subsequent to measurement date	523,761	-
Total	$ 613,049	$ (896,847)

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

K. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB, Continued

The $523,761 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction in the Net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense (income) as follows:

Year Ended June 30,	Deferred Outflow/(Inflows) of Resources
2023	$ (192,209)
2024	(187,312)
2025	(189,191)
2026	(210,602)
2027	(49,554)
Thereafter	21,309

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended June 30, 2022 were as follows:

	Transfers In						
Transfers Out	General Fund	Capital Projects	Non-Major Governmental Funds	Wastewater	Pier	Internal Service Funds	Total
Major Funds:							
General Fund	$ -	$ 4,488,367	$ 487,697	$ 42,722	$ 513	$ 459,915	$ 5,479,214
Non-Major Governmental Funds	246,850	1,734,274	-	-	-	44,408	2,025,532
Major Enterprise Funds:							
Water	-	703,637	-	-	-	46,919	750,556
Wastewater	-	97,183	275,589	-	-	67,186	439,958
Parking	-	-	-	-	-	122,300	122,300
Total	$ 246,850	$ 7,023,461	$ 763,286	$ 42,722	$ 513	$ 740,728	$ 8,817,560

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.

A. Advances From/To Other Funds

The following table shows amounts advanced to and from funds within the City at June 30, 2022:

Advances to Other Funds	Advances From Funds	Amount
Lodging Business Improvements	Internal Service Funds	$ 1,066,378
		$ 1,066,378

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued

A. Advances From/To Other Funds, Continued

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 $1,066,378 will be paid through future revenues in the Lodging Business Improvement Fund.

B. ***Negative Fund Balance***

As of June 30, 2022, the Capital Projects Fund has a negative fund balance of $462,718. This is a result of expenditures made on the Bello-Bridge replacement project, but not receiving the reimbursement from outside grantors in a timely manner.

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:

A. 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.

B. 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.

C. 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

10. JOINTLY GOVERNED ORGANIZATIONS AND OPERATING AGREEMENTS, Continued

C. Water Treatment and Facilities Agreement, Continued

Authority's debt obligations. The City recorded this payment as operating expenses of $224,108 and $1,289,208 to the District and Water Authority, respectively in its Water Fund.

D. 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.

E. 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 $1,421,458 as expenses in its Water Fund.

11. RISK MANAGEMENT

A. 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.

11. RISK MANAGEMENT, Continued

A. Self-Insurance, Continued

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 reasonably 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, 2022 is summarized as follows:

Estimated liability for reported claims and settlement expenses	$ (25,328)
Assets on Deposit	99,918
Claims Asset (Liability) at June 30, 2022	74,590

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

Claims Asset (Liability) at June 30, 2020	$ 109,306
Claim payments and related expenditures	(1,164)
Change in estimated claims liability for year ended June 30, 2021	(1,836)
Interest Earnings and change in fair market value	(49)
Claims Asset (Liability) at June 30, 2021	106,257
Claim payments and related expenditures	(13,380)
Change in estimated claims liability for year ended June 30, 2022	(17,383)
Interest Earnings and change in fair market value	(904)
Claims Asset (Liability) at June 30, 2022	$ 74,590

12. COMMITMENTS AND CONTINGENCIES

A. 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.

B. 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.

C. Construction and Other Significant Commitments

Construction and other significant commitments as of June 30, 2022, including encumbrances outstanding at year-end, were as follows:

General Fund	$ 962,836
Enterprise Funds	6,317,282
Internal Service Funds	3,719,845
Total	$ 10,999,963

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

13. PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustment due to originally recording an expenditure and unavailable revenue for the 2012 loan receivable in the amount of $1,086,826. The adjustment removes the associated unavailable revenue.

	Fund Balance, as Previously Reported at June 30, 2021	Prior Period Adjustments Unavailable Revenue	Fund Balance, as Restated at June 30, 2021
Governmental Funds			
Housing In-Lieu	$ 4,209,633	$ 1,086,826	$ 5,296,459

14. SUBSEQUENT EVENT

The atmospheric river storms of December 2022 and January 2023 negatively affected the City's bluffs and roads, causing damage to improvements on and within the area of the bluffs. Costs to repair the damage are currently estimated at $17.9 million. The City plans to seek Federal Emergency Management Agency (FEMA) funding, state assistance, and make an insurance claim to help cover the repair costs.

Required Supplementary Information Section

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City of Pismo Beach

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

General Fund

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Property Taxes	$ 6,100,458	$ 6,326,148	$ 6,479,633	$ 153,485
Sales Taxes	4,641,335	5,444,935	6,127,110	682,175
Transient Occupancy Taxes	14,501,700	16,986,443	17,010,748	24,305
Other Taxes	919,344	919,344	1,147,530	228,186
License and Permits	912,245	862,245	1,356,373	494,128
Fines and Forfeits	51,000	51,000	49,047	(1,953)
Subventions and Grants	71,534	352,579	1,260,359	907,780
Interest Earnings	361,225	258,025	(533,521)	(791,546)
Rental Income	164,207	164,207	187,148	22,941
Charges for Services	732,500	426,500	628,025	201,525
Miscellaneous	1,339,290	1,441,281	1,792,234	350,953
Total revenues	29,794,838	33,232,707	35,504,686	2,271,979
EXPENDITURES:				
Current:				
General government:				
City Council	218,148	223,269	166,211	57,058
Administration	462,336	490,506	460,903	29,603
City Clerk	312,234	356,156	309,555	46,601
Human Resources	561,909	599,645	576,041	23,604
Legal	401,500	385,120	424,631	(39,511)
Conference and visitors bureau	795,405	869,561	720,871	148,690
Finance	1,195,775	1,240,902	959,999	280,903
Nondepartmental - other	2,762,505	2,618,576	2,417,118	201,458
Nondepartmental - retiree medical	457,945	457,945	450,207	7,738
Facilities maintenance	766,567	1,038,733	713,422	325,311
Public safety:				
Police	7,446,538	7,484,317	6,932,988	551,329
Fire	2,797,745	2,730,190	2,664,741	65,449
Weed abatement	20,500	20,500	20,292	208
Lifeguards	290,517	302,189	282,807	19,382
Public Works:				
Park Maintenance	716,985	794,336	625,925	168,411
Engineering	952,281	1,100,259	905,504	194,755
Planning	1,108,148	1,729,675	1,127,233	602,442
Community services:				
Buildings	1,281,531	1,354,132	1,469,990	(115,858)
Recreation	686,074	1,059,848	895,619	164,229
Highways and Streets:				
Maintenance and Construction	1,156,575	1,364,086	1,022,670	341,416
Capital Outlay	4,500	285,256	40,835	244,421
Total expenditures	24,395,718	26,505,201	23,187,562	3,317,639
REVENUES OVER (UNDER) EXPENDITURES	5,399,120	6,727,506	12,317,124	5,589,618
OTHER FINANCING SOURCES (USES):				
Transfers in	290,000	356,999	246,850	(110,149)
Transfers out	(11,255,440)	(25,345,510)	(5,479,214)	19,866,296
Total other financing sources (uses)	(10,965,440)	(24,988,511)	(5,232,364)	19,756,147
Net change in fund balances	$ (5,566,320)	$ (18,261,005)	7,084,760	$ 25,345,765
FUND BALANCES:				
Beginning of year			30,527,697	
End of year			$ 37,612,457	

City of Pismo Beach

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

Housing In-Lieu

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	30,000	30,000	(45,960)	(75,960)
Charges for services	50,000	50,000	-	(50,000)
Total revenues	80,000	80,000	(45,960)	(125,960)
EXPENDITURES:				
Current:				
Housing	12,107	3,376,766	12,108	3,364,658
Total expenditures	12,107	3,376,766	12,108	3,364,658
REVENUES OVER (UNDER) EXPENDITURES	67,893	(3,296,766)	(58,068)	3,238,698
Net change in fund balances	$ 67,893	$ (3,296,766)	(58,068)	$ 3,238,698
FUND BALANCES:				
Beginning of year, as restated			5,296,459	
End of year			$ 5,238,391	

City of Pismo Beach

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

Lodging Business Improvement

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 3,100	$ 3,100	$ (47,245)	$ (50,345)
Special assessments	2,651,800	3,087,820	3,090,688	2,868
Total revenues	2,654,900	3,090,920	3,043,443	(47,477)
EXPENDITURES:				
Current:				
General government	1,383,585	1,482,982	1,398,254	84,728
Total expenditures	1,383,585	1,482,982	1,398,254	84,728
REVENUES OVER (UNDER) EXPENDITURES	1,271,315	1,607,938	1,645,189	37,251
OTHER FINANCING SOURCES (USES):				
Transfers out	(358,888)	(358,888)	-	358,888
Total other financing sources (uses)	(358,888)	(358,888)	-	358,888
Net change in fund balances	$ 912,427	$ 1,249,050	1,645,189	$ 396,139
FUND BALANCES:				
Beginning of year			(1,349,310)	
End of year			$ 295,879	

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2022

*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**

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
2022	6/30/2021	0.260%	$ 4,937,155	$ 5,236,312	94.29%	90.49%
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	10.000%	$ 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
2022	6/30/2021	0.126%	$ 4,419,313	$ 2,203,446	200.56%	86.61%
2021	6/30/2020	0.129%	$ 8,639,190	$ 2,045,603	422.33%	76.89%
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
2022	6/30/2021	0.173%	$ 9,356,468	$ 7,439,758	125.76%	88.29%
2021	6/30/2020	0.164%	$ 17,855,530	$ 6,996,594	255.20%	75.10%
2020	6/30/2019	0.164%	$ 16,757,329	$ 7,026,637	238.48%	75.26%
2019	6/30/2018	0.165%	$ 15,887,510	$ 6,929,247	229.28%	75.26%
2018	6/30/2017	0.189%	$ 18,750,306	$ 6,477,840	289.45%	73.31%
2017	6/30/2016	0.195%	$ 16,878,675	$ 6,434,919	262.30%	74.06%
2016	6/30/2015	0.204%	$ 14,022,554	$ 6,674,591	210.09%	78.40%
2015	6/30/2014	0.212%	$ 13,207,413	$ 6,481,975	203.76%	79.82%

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

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2022

*Schedule of Plan Contributions CalPERS Pension Plan Last Ten Years**

Miscellaneous

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 1,213,157	$ (1,713,157)	$ (500,000)	$ 6,174,597	0.277452439
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	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 1,106,985	$ (1,606,985)	$ -	$ 2,801,236	57.37%
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	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	$ 2,320,142.00	$ (3,320,142.00)	$ (500,000.00)	$ 8,975,833.00	36.99%
2021	$ 2,106,746.00	$ (2,106,746.00)	$ -	$ 7,439,758.00	28.32%
2020	$ 1,814,133.00	$ (1,814,133.00)	$ -	$ 6,996,594.00	25.93%
2019	$ 2,086,812.00	$ (2,086,812.00)	$ -	$ 7,026,637.00	29.70%
2018	$ 2,166,482.00	$ (4,166,482.00)	$ (2,000,000.00)	$ 6,929,247.00	60.13%
2017	$ 1,968,359.00	$ (1,968,359.00)	$ -	$ 6,477,840.00	30.39%
2016	$ 1,787,700.00	$ (1,787,700.00)	$ -	$ 6,434,919.00	27.78%
2015	$ 1,402,582.00	$ (2,402,582.00)	$ (1,000,000.00)	$ 6,674,591.00	36.00%
2014	$ 1,564,164.00	$ (1,564,164.00)	$ -	$ 6,481,975.00	24.13%

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

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2022

*Schedule of Changes in OPEB Liability and Related Ratios - Last 10 Years**

Measurement Period	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	$ 136,768	$ 133,409	$ 161,389	$ 157,747	$ 153,152
Interest on the total OPEB liability	293,572	283,458	306,101	292,369	279,739
Changes in assumptions	101,519	-	(15,884)	-	-
Actual and expected experience difference	(24,620)	-	(500,462)	-	-
Benefit payments	(281,480)	(259,311)	(257,880)	(242,785)	(257,965)
Net change in the total OPEB liability	225,759	157,556	(306,736)	207,331	174,926
Total OPEB liability - beginning	4,353,187	4,195,631	4,502,367	4,295,036	4,120,110
Total OPEB liabilty - ending (a)	4,578,946	4,353,187	4,195,631	4,502,367	4,295,036
Plan Fiduciary Net Position					
Contribution - employer	282,491	586,236	565,740	534,785	537,965
Net investment income	1,023,906	115,313	181,663	183,879	200,453
Benefit payments	(281,480)	(259,311)	(257,880)	(242,785)	(257,965)
Administrative expense	(2,420)	(2,535)	(1,467)	(4,328)	(1,012)
Net change in plan fiduciary net position	1,022,497	439,703	488,056	471,551	479,441
Plan fiduciary net position - beginning	3,724,866	3,285,163	2,797,107	2,325,556	1,846,115
Plan fiduciary net position - ending (b)	4,747,363	3,724,866	3,285,163	2,797,107	2,325,556
Net OPEB Liability(Asset) - ending (a) - (b)	$ (168,417)	$ 628,321	$ 910,468	$ 1,705,260	$ 1,969,480
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	103.68%	85.57%	78.30%	62.13%	54.15%
Covered-employee payroll	$ 7,439,757	$ 7,380,250	$ 7,274,214	$ 7,181,151	$ 6,688,838
Net OPEB liability(asset) as a percentage of covered-employee payroll	(2.26%)	8.51%	12.52%	23.75%	29.44%

Notes to Schedule:

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

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2022

*Schedule of OPEB Contributions - Last 10 Years**

	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 227,000	$ 222,000	$ 216,000	$ 307,000	$ 290,000
Contribution in relation to the actuarially determined contribution	(523,761)	(282,491)	(586,236)	(565,740)	(534,785)
Contribution deficiency (excess)	(296,761)	(60,491)	(370,236)	(258,740)	(244,785)
Covered-employee payroll	$ 8,975,833	$ 7,439,757	$ 7,380,250	$ 7,274,214	$ 7,181,151
Contributions as a percentage of covered-employee payroll	5.84%	3.80%	7.94%	7.78%	7.45%

* Fiscal year 2018 was the 1st year of implementation.

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contribution for fiscal year 2022 were from the June 30, 2021 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial cost method	Entry Age Normal
Amortization valuation method/period	Level percent of payroll; 15- year fixed period
Inflation	2.75% per annum
Discount rate	6.75%
Medical trend	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076
	Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076
Mortality	CalPERS 1997-2015 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2019

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2022

NOTE 1: 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. Budgets can be found on the City's website.

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: NET PENSION LIABILITY

Change in Benefit Terms. There were no changes to benefit terms.

Change in Assumptions. For 2015, the discount rate changed from 7.5% (net of administrative expense) to 7.65% and for 2017, the discount rate was changed from 7.65% (net of administrative expense) to 7.15%.

Supplementary Information Section

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NONMAJOR GOVERNMENTAL FUNDS

The City maintains the following nonmajor 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 different 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.

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
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
ASSETS				
Cash and investments	$ 17,225	$ 316,845	$ 156,134	$ 246,075
Cash and investments with fiscal agent	-	-	-	-
Accounts receivable	-	-	10,206	-
Due from other governments	44,096	-	-	81,371
Accrued interest receivable	124	336	152	255
Total assets	$ 61,445	$ 317,181	$ 166,492	$ 327,701
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	-	-	-
Fund Balances:				
Restricted	61,445	317,181	166,492	327,701
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	61,445	317,181	166,492	327,701
Total liabilities, deferred inflows of resources and fund balances	$ 61,445	$ 317,181	$ 166,492	$ 327,701

Special Revenue Funds	Capital Project Funds				
Chapman House Estate	Public Facilities	Park Development	Circulation Improvement	Impact Fees	Developer Impact Fees
$ 35,427	$ 848	$ 300,966	$ 602,751	$ 609,218	$ 161,473
-	-	-	-	-	-
50	-	-	-	-	-
-	-	-	-	-	-
36	1	336	593	110	158
$ 35,513	$ 849	$ 301,302	$ 603,344	$ 609,328	$ 161,631
3,086	-	10,100	-	-	-
-	-	-	-	-	104,373
3,086	-	10,100	-	-	104,373
32,427	-	291,202	603,344	609,328	57,258
-	-	-	-	-	-
-	849	-	-	-	-
32,427	849	291,202	603,344	609,328	57,258
$ 35,513	$ 849	$ 301,302	$ 603,344	$ 609,328	$ 161,631

City of Pismo Beach
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Capital Project Funds	Debt Service Funds		
	Underground Utilities	City of Pismo Beach Public Financing Agency	Indio / El Portal Assessment District	Visalia Assessment District
ASSETS				
Cash and investments	$ 15,964	$ -	$ 714	$ 97,647
Cash and investments with fiscal agent	-	57	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Accrued interest receivable	16	-	1	96
Total assets	$ 15,980	$ 57	$ 715	$ 97,743
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	-	-	-
Fund Balances:				
Restricted	15,980	57	715	97,743
Committed	-	-	-	-
Assigned	-	-	-	-
Total fund balances	15,980	57	715	97,743
Total liabilities, deferred inflows of resources and fund balances	$ 15,980	$ 57	$ 715	$ 97,743

Debt Service Funds		
Reassessment District		Total Nonmajor Governmental Funds
$ 13,035	$	2,574,322
-		57
-		10,256
-		125,467
13		2,227
$ 13,048	$	2,712,329
-		13,186
-		104,373
-		117,559
13,048		2,593,921
-		-
-		849
13,048		2,594,770
$ 13,048	$	2,712,329

City of Pismo Beach

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2022

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
REVENUES:				
Other taxes	$ 366,555	$ -	$ 39,794	$ -
Subventions and grants	-	309,036	-	226,556
Investment earnings	(3,893)	(10,508)	(4,461)	(7,707)
Charges for services	-	-	-	-
Miscellaneous	-	2,500	-	-
Total revenues	362,662	301,028	35,333	218,849
EXPENDITURES:				
Current:				
General government	-	-	7,335	-
Highways and streets	-	5,641	-	-
Community services	-	-	-	-
Housing	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	5,641	7,335	-
REVENUES OVER (UNDER) EXPENDITURES	362,662	295,387	27,998	218,849
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(399,769)	(381,850)	-	(84,259)
Total other financing sources (uses)	(399,769)	(381,850)	-	(84,259)
Net change in fund balances	(37,107)	(86,463)	27,998	134,590
FUND BALANCES:				
Beginning of year	98,552	403,644	138,494	193,111
End of year	$ 61,445	$ 317,181	$ 166,492	$ 327,701

Special Revenue Funds	Capital Project Funds				
Chapman House Estate	Public Facilities	Park Development	Circulation Improvement	Impact Fees	Developer Impact Fees
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
(708)	(26)	(12,229)	(11,916)	8,983	(4,924)
-	-	191,044	-	263,997	-
388,538	-	-	150,440	-	-
387,830	(26)	178,815	138,524	272,980	(4,924)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	4,707	-	1,350	-
63,310	-	-	-	-	-
31,799	-	478,670	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
95,109	-	483,377	-	1,350	-
292,721	(26)	(304,562)	138,524	271,630	(4,924)
52,206	-	1,514	-	-	-
(355,421)	-	-	(115,270)	(688,963)	-
(303,215)	-	1,514	(115,270)	(688,963)	-
(10,494)	(26)	(303,048)	23,254	(417,333)	(4,924)
42,921	875	594,250	580,090	1,026,661	62,182
$ 32,427	$ 849	$ 291,202	$ 603,344	$ 609,328	$ 57,258

City of Pismo Beach

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2022

	Capital Project Funds	Debt Service Funds		
	Underground Utilities	City of Pismo Beach Public Financing Agency	Indio / El Portal Assessment District	Visalia Assessment District
REVENUES:				
Other taxes	$ -	$ -	$ -	$ -
Subventions and grants	-	-	-	-
Investment earnings	(486)	58	(21)	(2,977)
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	(486)	58	(21)	(2,977)
EXPENDITURES:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Community services	-	-	-	-
Housing	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	299,569	-	-
Interest and fiscal charges	-	410,003	-	-
Total expenditures	-	709,572	-	-
REVENUES OVER (UNDER) EXPENDITURES	(486)	(709,514)	(21)	(2,977)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	709,566	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	709,566	-	-
Net change in fund balances	(486)	52	(21)	(2,977)
FUND BALANCES:				
Beginning of year	16,466	5	736	100,720
End of year	$ 15,980	$ 57	$ 715	$ 97,743

Debt Service Funds	
Reasssessment District	Total Nonmajor Governmental Funds
$ -	$ 406,349
-	535,592
(397)	(51,212)
-	455,041
-	541,478
(397)	1,887,248
-	7,335
-	5,641
-	6,057
-	63,310
-	510,469
-	299,569
-	410,003
-	1,302,384
(397)	584,864
-	763,286
-	(2,025,532)
-	(1,262,246)
(397)	(677,382)
13,445	3,272,152
$ 13,048	$ 2,594,770

City of Pismo Beach

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

Capital Projects

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Subventions and grants	$ 3,421,490	$ 8,460,589	$ 3,457,895	$ (5,002,694)
Miscellaneous	-	-	3,995	3,995
Total revenues	3,421,490	8,460,589	3,461,890	(4,998,699)
EXPENDITURES:				
Current:				
Highways and streets	-	126,444	-	126,444
Capital outlay	31,512,000	51,915,690	11,561,882	40,353,808
Total expenditures	31,512,000	52,042,134	11,561,882	40,480,252
REVENUES OVER (UNDER) EXPENDITURES	(28,090,510)	(43,581,545)	(8,099,992)	35,481,553
OTHER FINANCING SOURCES (USES):				
Transfers in	11,090,510	26,564,959	7,023,461	(19,541,498)
Proceeds from long-term debt	17,000,000	17,000,000	-	(17,000,000)
Total other financing sources (uses)	28,090,510	43,564,959	7,023,461	(36,541,498)
Net change in fund balances	$ -	$ (16,586)	(1,076,531)	$ (1,059,945)
FUND BALANCES:				
Beginning of year			613,813	
End of year			$ (462,718)	

City of Pismo Beach

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

State Gas Tax

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Other taxes	$ 381,389	$ 381,389	$ 366,555	$ (14,834)
Investment earnings	1,500	1,500	(3,893)	(5,393)
Total revenues	382,889	382,889	362,662	(20,227)
OTHER FINANCING SOURCES (USES):				
Transfers out	(465,000)	(465,000)	(399,769)	65,231
Total other financing sources (uses)	(465,000)	(465,000)	(399,769)	65,231
Net change in fund balances	$ (82,111)	$ (82,111)	(37,107)	$ 45,004
FUND BALANCES:				
Beginning of year			98,552	
End of year			$ 61,445	

City of Pismo Beach

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

Local Transportation Streets

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Subventions and grants	$ 202,583	$ 306,896	$ 309,036	$ 2,140
Investment earnings	1,400	1,400	(10,508)	(11,908)
Miscellaneous	2,500	2,500	2,500	-
Total revenues	206,483	310,796	301,028	(9,768)
EXPENDITURES:				
Current:				
Highways and streets	25,141	25,141	5,641	19,500
Total expenditures	25,141	25,141	5,641	19,500
REVENUES OVER (UNDER) EXPENDITURES	181,342	285,655	295,387	9,732
OTHER FINANCING SOURCES (USES):				
Transfers out	(550,000)	(550,000)	(381,850)	168,150
Total other financing sources (uses)	(550,000)	(550,000)	(381,850)	168,150
Net change in fund balances	$ (368,658)	$ (264,345)	(86,463)	$ 177,882
FUND BALANCES:				
Beginning of year			403,644	
End of year			$ 317,181	

City of Pismo Beach

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

Public Education Grant

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Other taxes	$ 37,000	$ 37,000	$ 39,794	$ 2,794
Investment earnings	-	-	(4,461)	(4,461)
Total revenues	37,000	37,000	35,333	(1,667)
EXPENDITURES:				
Current:				
General government	10,000	10,000	7,335	2,665
Capital outlay	-	24,732	-	24,732
Total expenditures	10,000	34,732	7,335	27,397
REVENUES OVER (UNDER) EXPENDITURES	27,000	2,268	27,998	25,730
Net change in fund balances	$ 27,000	$ 2,268	27,998	$ 25,730
FUND BALANCES:				
Beginning of year			138,494	
End of year			$ 166,492	

City of Pismo Beach

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

Noncapital Grants

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Subventions and grants	$ 150,000	$ 180,000	$ 226,556	$ 46,556
Investment earnings	3,300	3,300	(7,707)	(11,007)
Total revenues	153,300	183,300	218,849	35,549
OTHER FINANCING SOURCES (USES):				
Transfers out	(150,000)	(336,346)	(84,259)	252,087
Total other financing sources (uses)	(150,000)	(336,346)	(84,259)	252,087
Net change in fund balances	$ 3,300	$ (153,046)	134,590	$ 287,636
FUND BALANCES:				
Beginning of year			193,111	
End of year			$ 327,701	

City of Pismo Beach

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

Chapman House Estate

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (708)	$ (708)
Miscellaneous	375,000	375,000	388,538	13,538
Total revenues	375,000	375,000	387,830	12,830
EXPENDITURES:				
Current:				
General government	-	20,000	-	20,000
Housing	74,420	130,313	63,310	67,003
Capital outlay	-	906,363	31,799	874,564
Total expenditures	74,420	1,056,676	95,109	961,567
REVENUES OVER (UNDER) EXPENDITURES	300,580	(681,676)	292,721	974,397
OTHER FINANCING SOURCES (USES):				
Transfers in	-	932,256	52,206	(880,050)
Transfers out	-	(382,600)	(355,421)	27,179
Total other financing sources (uses)	-	549,656	(303,215)	(852,871)
Net change in fund balances	$ 300,580	$ (132,020)	(10,494)	$ 121,526
FUND BALANCES:				
Beginning of year			42,921	
End of year			$ 32,427	

City of Pismo Beach

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

Public Facilities

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (26)	$ (26)
Total revenues	-	-	(26)	(26)
Net change in fund balances	$ -	$ -	(26)	$ (26)
FUND BALANCES:				
Beginning of year			875	
End of year			$ 849	

City of Pismo Beach

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

Park Development

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 3,200	$ 3,200	$ (12,229)	$ (15,429)
Charges for services	30,000	30,000	191,044	161,044
Total revenues	33,200	33,200	178,815	145,615
EXPENDITURES:				
Current:				
Community services	4,707	4,707	4,707	-
Capital outlay	225,000	685,404	478,670	206,734
Total expenditures	229,707	690,111	483,377	206,734
REVENUES OVER (UNDER) EXPENDITURES	(196,507)	(656,911)	(304,562)	352,349
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,514	1,514	-
Total other financing sources (uses)	-	1,514	1,514	-
Net change in fund balances	$ (196,507)	$ (655,397)	(303,048)	$ 352,349
FUND BALANCES:				
Beginning of year			594,250	
End of year			$ 291,202	

City of Pismo Beach

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

Circulation Improvement

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 6,700	$ 6,700	$ (11,916)	$ (18,616)
Miscellaneous	-	-	150,440	150,440
Total revenues	6,700	6,700	138,524	131,824
EXPENDITURES:				
Current:				
Capital outlay	-	90,000	-	90,000
Total expenditures	-	90,000	-	90,000
REVENUES OVER (UNDER) EXPENDITURES	6,700	(83,300)	138,524	221,824
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(115,270)	(115,270)	-
Total other financing sources (uses)	-	(115,270)	(115,270)	-
Net change in fund balances	$ 6,700	$ (198,570)	23,254	$ 221,824
FUND BALANCES:				
Beginning of year			580,090	
End of year			$ 603,344	

City of Pismo Beach

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

Impact Fees

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 16,100	$ 16,100	$ 8,983	$ (7,117)
Charges for services	-	-	263,997	263,997
Total revenues	16,100	16,100	272,980	256,880
EXPENDITURES:				
Current:				
Community services	1,350	1,350	1,350	-
Total expenditures	1,350	1,350	1,350	-
REVENUES OVER (UNDER) EXPENDITURES	14,750	14,750	271,630	256,880
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(688,963)	(688,963)	-
Total other financing sources (uses)	-	(688,963)	(688,963)	-
Net change in fund balances	$ 14,750	$ (674,213)	(417,333)	$ 256,880
FUND BALANCES:				
Beginning of year			1,026,661	
End of year			$ 609,328	

City of Pismo Beach

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

Developer Impact Fes

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 1,000	$ 1,000	$ (4,924)	$ (5,924)
Total revenues	1,000	1,000	(4,924)	(5,924)
Net change in fund balances	$ 1,000	$ 1,000	(4,924)	$ (5,924)
FUND BALANCES:				
Beginning of year			62,182	
End of year			$ 57,258	

City of Pismo Beach

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

Underground Utilities

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (486)	$ (486)
Total revenues	-	-	(486)	(486)
Net change in fund balances	$ -	$ -	(486)	$ (486)
FUND BALANCES:				
Beginning of year			16,466	
End of year			$ 15,980	

City of Pismo Beach

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

City of Pismo Beach Public Financing Agency

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ 58	$ 58
Total revenues	-	-	58	58
EXPENDITURES:				
Current:				
Debt service:				
Principal	299,569	299,569	299,569	-
Interest and fiscal charges	410,003	410,003	410,003	-
Total expenditures	709,572	709,572	709,572	-
REVENUES OVER (UNDER) EXPENDITURES	(709,572)	(709,572)	(709,514)	58
OTHER FINANCING SOURCES (USES):				
Transfers in	709,572	709,572	709,566	(6)
Total other financing sources (uses)	709,572	709,572	709,566	(6)
Net change in fund balances	$ -	$ -	52	$ 52
FUND BALANCES:				
Beginning of year			5	
End of year			$ 57	

City of Pismo Beach

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

Indio / El Portal Assessment District

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (21)	$ (21)
Total revenues	-	-	(21)	(21)
Net change in fund balances	$ -	$ -	(21)	$ (21)
FUND BALANCES:				
Beginning of year			736	
End of year			$ 715	

City of Pismo Beach

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

Visalia Assessment District

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (2,977)	$ (2,977)
Total revenues	-	-	(2,977)	(2,977)
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)	(2,977)	$ 82,023
FUND BALANCES:				
Beginning of year			100,720	
End of year			$ 97,743	

City of Pismo Beach

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

Reasssessment District

For the year ended June 30, 2022

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (397)	$ (397)
Total revenues	-	-	(397)	(397)
Net change in fund balances	$ -	$ -	(397)	$ (397)
FUND BALANCES:				
Beginning of year			13,445	
End of year			$ 13,048	

NONMAJOR ENTERPRISE FUNDS

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

City of Pismo Beach
Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2022

	Transit	Totals
ASSETS		
Assets:		
Cash and investments	$ 28,160	$ 28,160
Accrued interest receivable	28	28
Total assets	28,188	28,188
NET POSITION		
Restricted for transit	28,188	28,188
Total net position	$ 28,188	$ 28,188

City of Pismo Beach

Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

For the year ended June 30, 2022

	Transit	Totals
OPERATING EXPENSES:		
Services and supplies	$ 857	$ 857
Total operating expenses	857	857
Operating income (loss)	(857)	(857)
NONOPERATING REVENUES (EXPENSES):		
Investment earnings	(856)	(856)
Total nonoperating revenues (expenses)	(856)	(856)
Change in net position	(1,713)	(1,713)
NET POSITION:		
Beginning of year	29,901	29,901
End of year	$ 28,188	$ 28,188

City of Pismo Beach

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

For the year ended June 30, 2022

	Transit	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers for goods and services	$ (1,129)	$ (1,129)
Net cash provided by (used in) operating activities	(1,129)	(1,129)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	41	41
Loss on investments	(913)	(913)
Net cash provided by (used in) investing activities	(872)	(872)
Net cash flows	(2,001)	(2,001)
CASH AND INVESTMENTS - Beginning of year	30,161	30,161
CASH AND INVESTMENTS - End of year	$ 28,160	$ 28,160
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	$ (857)	$ (857)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Accounts payable	(272)	(272)
Net cash provided by (used in) operating activities	$ (1,129)	$ (1,129)

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
Combining Statement of Net Position
Internal Service Funds
June 30, 2022

	Technology Service Fund	Motor Vehicle Fund	Totals
ASSETS			
Current Assets:			
Cash and investments	$ 62,192	$ 3,618,373	$ 3,680,565
Accrued interest receivable	79	2,262	2,341
Total current assets	62,271	3,620,635	3,682,906
Noncurrent:			
Advances to other funds	-	1,066,378	1,066,378
Capital assets:			
Vehicles	-	5,547,983	5,547,983
Equipment	205,585	656,750	862,335
Less accumulated depreciation	(157,412)	(3,841,831)	(3,999,243)
Net capital assets	48,173	2,362,902	2,411,075
Total noncurrent assets	48,173	3,429,280	3,477,453
Total assets	110,444	7,049,915	7,160,359
LIABILITIES			
Current liabilities:			
Accounts payable	77,806	47,853	125,659
Accrued liabilities	5,390	4,001	9,391
Compensated absences - current	2,048	1,897	3,945
Total current liabilities	85,244	53,751	138,995
Noncurrent liabilities:			
Compensated absences	6,143	5,692	11,835
Total noncurrent liabilities	6,143	5,692	11,835
Total liabilities	91,387	59,443	150,830
NET POSITION			
Net investment in capital assets	48,173	2,362,902	2,411,075
Unrestricted	(29,116)	4,627,570	4,598,454
Total net position	$ 19,057	$ 6,990,472	$ 7,009,529

City of Pismo Beach

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2022

	Technology Service Fund	Motor Vehicle Fund	Totals
OPERATING REVENUES:			
Service fees	$ 768,187	$ 567,626	$ 1,335,813
Total operating revenues	768,187	567,626	1,335,813
OPERATING EXPENSES:			
Salaries and benefits	159,587	148,979	308,566
Services and supplies	643,770	433,690	1,077,460
Depreciation and amortization	35,602	406,155	441,757
Total operating expenses	838,959	988,824	1,827,783
Operating income (loss)	(70,772)	(421,198)	(491,970)
NONOPERATING REVENUES (EXPENSES):			
Investment earnings	(2,984)	(49,535)	(52,519)
Total nonoperating revenues (expenses)	(2,984)	(49,535)	(52,519)
Income before contributions and transfers	(73,756)	(470,733)	(544,489)
CONTRIBUTIONS AND TRANSFERS:			
Transfers in	6,550	734,178	740,728
Total contributions and transfers	6,550	734,178	740,728
Change in net position	(67,206)	263,445	196,239
NET POSITION:			
Beginning of year	86,263	6,727,027	6,813,290
End of year	$ 19,057	$ 6,990,472	$ 7,009,529

City of Pismo Beach

Combining Statement of Cash Flows

Internal Service Funds

For the year ended June 30, 2022

	Technology Service Fund	Motor Vehicle Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from other funds for services	$ 768,187	$ 567,626	1,335,813
Payments to suppliers for goods and services	(656,035)	(432,497)	(1,088,532)
Payments to employees for wages and benefits	(160,611)	(149,174)	(309,785)
Net cash provided by (used in) operating activities	(48,459)	(14,045)	(62,504)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Payments from other funds for prior advances	-	1,245,321	1,245,321
Transfers from other funds	6,550	734,178	740,728
Net cash provided by (used in) noncapital financing activities	6,550	1,979,499	1,986,049
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	-	(485,722)	(485,722)
Net cash provided by (used in) capital and related financing activities	-	(485,722)	(485,722)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	162	5,138	5,300
Loss on investments	(3,161)	(78,972)	(82,133)
Net cash provided by (used in) investing activities	(2,999)	(73,834)	(76,833)
Net cash flows	(44,908)	1,405,898	1,360,990
CASH AND INVESTMENTS - Beginning of year	107,100	2,212,475	2,319,575
CASH AND INVESTMENTS - End of year	$ 62,192	$ 3,618,373	$ 3,680,565
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	$ (70,772)	$ (421,198)	$ (491,970)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	35,602	406,155	441,757
Accounts payable	(12,265)	1,193	(11,072)
Accrued liabilities	2,046	1,459	3,505
Compensated absences	(3,070)	(1,654)	(4,724)
Net cash provided by (used in) operating activities	$ (48,459)	$ (14,045)	$ (62,504)

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Statistical Section



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

	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	$ 41,657,581	$ 40,197,149	$ 39,251,227	$ 40,900,410
Restricted	3,157,166	4,861,886	4,184,820	6,702,558
Unrestricted	15,577,727	18,566,914	10,069,411	14,455,616
Total governmental activities net position	$ 60,392,474	$ 63,625,949	$ 53,505,458	$ 62,058,584
Business-type activities:				
Net investment in capital assets	$ 18,715,142	$ 18,963,130	$ 20,129,677	$ 20,011,697
Restricted	979,157	482,957	1,501,066	1,989,793
Unrestricted	9,608,168	11,634,062	12,561,208	14,105,083
Total business-type activities net position	$ 29,302,467	$ 31,080,149	$ 34,191,951	$ 36,106,573
Primary government (City wide totals):				
Net investment in capital assets	$ 60,372,723	$ 59,160,279	$ 59,380,904	$ 60,912,107
Restricted	4,136,323	5,344,843	5,685,886	8,692,351
Unrestricted	25,185,895	30,200,976	22,630,619	28,560,699
Total primary government net position	$ 89,694,941	$ 94,706,098	$ 87,697,409	$ 98,165,157

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

2017	2018	2019	2020	2021	2022
$ 42,378,253	$ 37,034,179	$ 43,356,000	$ 68,744,732	$ 72,426,707	$ 81,863,421
8,284,649	7,953,098	5,980,066	5,367,307	6,338,982	7,633,122
10,904,295	19,502,567	20,263,916	12,400,117	22,029,274	32,965,542
$ 61,567,197	$ 64,489,844	$ 69,599,982	$ 86,512,156	$ 100,794,963	$ 122,462,085
$ 22,281,718	$ 29,967,919	$ 35,565,718	$ 41,209,062	$ 41,630,914	$ 42,633,527
763,188	7,396,315	3,485,309	2,291,691	2,291,691	28,188
23,790,177	12,917,394	16,783,439	15,707,406	19,162,503	23,513,905
$ 46,835,083	$ 50,281,628	$ 55,834,466	$ 59,208,159	$ 63,085,108	$ 66,175,620
$ 64,659,971	$ 67,002,098	$ 78,921,718	$ 109,953,794	$ 114,057,621	$ 124,496,948
9,047,837	15,349,413	9,465,375	7,658,998	8,630,673	7,661,310
34,694,472	32,419,961	37,047,355	28,107,523	41,191,777	56,479,447
$ 108,402,280	$ 114,771,472	$ 125,434,448	$ 145,720,315	$ 163,880,071	$ 188,637,705

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

	2013	2014	2015	2016
Expenses:				
Governmental activities:				
General government	$ 6,053,693	$ 5,860,017	$ 8,310,400	$ 6,478,517
Police	5,276,282	4,949,673	3,556,827	4,415,960
Fire	1,743,101	2,020,895	2,094,768	2,300,397
Public works	1,863,593	1,870,369	1,752,177	2,191,332
Streets	3,063,624	2,668,703	3,254,806	1,894,967
Community Services	1,802,310	1,983,046	1,848,006	1,730,536
Redevelopment and Housing	1,000	500	4,700	5,172
Interest on long-term debt	161,092	151,162	140,806	129,590
Total governmental activities expenses	19,964,695	19,504,365	20,962,490	19,146,471
Business-type activities:				
Water	4,293,748	4,438,880	4,790,817	5,411,932
Wastewater	2,991,561	3,332,885	2,892,629	3,218,792
Pier	91,199	80,406	206,484	74,525
Parking	364,146	326,696	370,458	584,809
Transit	8,755	10,762	8,615	8,915
Total business-type activities expenses	7,749,409	8,189,629	8,269,003	9,298,973
Total City government expenses	$ 27,714,104	$ 27,693,994	$ 29,231,493	$ 28,445,444
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	$ 1,561,512	$ 1,762,469	$ 1,951,778	$ 1,996,898
Police protection	119,945	134,343	114,191	99,422
Fire protection	28,251	48,104	137,922	110,111
Public works	859,602	1,511,764	1,598,614	1,924,604
Streets	11,151	33,950	182,728	232,322
Community Services	232,068	838,828	747,979	808,849
Redevelopment and Housing	5,507	66,410	711,956	1,366,649
Operating grants and contributions	758,435	653,736	1,014,648	720,505
Capital grants and contributions	245,533	303,229	231,893	179,020
Total governmental activities program revenues	3,822,004	5,352,833	6,691,709	7,438,380

2017	2018	2019	2020	2021	2022
$ 6,138,982	$ 8,682,523	$ 7,386,249	$ 8,839,242	$ 7,758,082	$ 7,281,988
5,057,206	5,524,313	6,886,401	7,320,891	6,996,279	6,125,852
2,404,407	2,273,823	2,464,794	2,904,909	2,473,929	2,685,033
2,165,762	3,538,379	4,139,918	4,975,583	4,428,749	4,905,144
2,807,486	758,733	766,752	1,039,932	1,045,069	1,031,050
1,575,249	2,184,612	1,750,512	2,204,009	2,271,402	2,646,685
9,779	141,952	148,525	66,287	63,831	75,418
149,699	424,283	437,597	427,879	416,148	410,003
20,308,570	23,528,618	23,980,748	27,778,732	25,453,489	25,161,173
5,130,481	5,627,557	5,612,129	6,184,516	5,550,098	5,818,024
3,543,794	2,988,446	3,490,726	3,673,374	4,282,686	4,439,748
106,954	94,835	178,397	307,658	238,868	252,623
412,831	522,958	682,449	509,680	712,764	703,778
10,321	7,740	2,460	1,714	1,871	857
9,204,381	9,241,536	9,966,161	10,676,942	10,786,287	11,215,030
$ 29,512,951	$ 32,770,154	$ 33,946,909	$ 38,455,674	$ 36,239,776	$ 36,376,203
$ 2,082,125	$ 2,141,024	$ 2,537,482	$ 3,180,616	$ 4,140,043	$ 4,652,534
123,365	147,488	222,270	134,092	237,362	453,558
73,061	42,794	97,210	40,223	80,291	112,328
2,397,389	851,257	1,008,830	831,871	1,134,589	1,303,349
163,015	7,663	57,936	13,254	2,500	-
438,089	309,107	446,437	382,976	439,627	841,044
543,889	92,635	60,724	277,095	270,998	519,708
494,291	436,647	2,005,434	2,628,176	1,997,917	2,306,843
803,852	4,079,117	2,514,943	15,278,174	3,594,786	4,711,140
7,119,076	8,107,732	8,951,266	22,766,477	11,898,113	14,900,504

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

	2013	2014	2015	2016
Business-type activities:				
Charges for services:				
Water	$ 3,459,033	$ 3,920,594	$ 3,817,994	$ 4,709,473
Wastewater	3,572,531	3,848,743	5,065,797	4,633,274
Pier	14,024	14,105	14,925	15,904
Parking	515,675	551,567	566,370	644,922
Transit	6,505	8,103	18,016	10,539
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	-	31,850
Total business-type activities programs revenues	7,567,768	8,343,112	9,483,102	10,045,962
Total City government program revenues	$ 11,389,772	$ 13,695,945	$ 16,174,811	$ 17,484,342
Net Revenues (Expenses):				
Governmental activities	$ (16,142,691)	$ (14,151,532)	$ (14,270,781)	$ (11,708,091)
Business-type activities	(181,641)	153,483	1,214,099	746,989
Total City government	$ (16,324,332)	$ (13,998,049)	$ (13,056,682)	$ (10,961,102)
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Taxes:				
Property taxes	$ 4,015,999	$ 4,193,186	$ 4,392,370	$ 4,662,304
Incremental property taxes	-	-	-	-
Sales taxes	3,905,814	4,104,284	4,497,958	4,485,779
Transient occupancy taxes	7,279,501	7,988,237	8,682,119	9,199,947
Other taxes	848,095	863,698	890,811	915,610
Investment earnings	137,101	142,180	205,281	397,199
Miscellaneous	-	-	64,428	74,243
Transfers	26,409	93,422	(696,140)	(71,219)
Extraordinary item - RDA	-	-	-	-
Total governmental activities	16,212,919	17,385,007	18,036,827	19,663,863
Business-type activities				
Special Water Taxes	1,543,588	1,717,621	2,672,840	1,266,322
Investment Earnings	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-
Other Revenue	-	-	-	-
Transfers	(26,409)	(93,422)	696,140	71,219
Total business-type activities	1,517,179	1,624,199	3,368,980	1,337,541
Total City government	$ 17,730,098	$ 19,009,206	$ 21,405,807	$ 21,001,404
Change in net position:				
Governmental activities	$ 70,228	$ 3,233,475	$ 3,766,046	$ 7,955,772
Business-type activities	1,335,538	1,777,682	4,583,079	2,084,530
Total City government	$ 1,405,766	$ 5,011,157	$ 8,349,125	$ 10,040,302

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

2017	2018	2019	2020	2021	2022
$ 5,448,798	$ 4,849,034	$ 4,382,106	$ 4,729,724	$ 5,360,590	$ 5,962,637
4,765,561	5,047,984	5,121,062	5,020,653	5,478,360	6,070,939
37,071	24,045	12,938	3,300	44,469	82,842
816,689	763,416	1,142,142	968,246	2,655,833	2,804,978
15,002	10,000	-	-	10,000	-
-	-	-	-		-
-	-	432,811	-		49,058
11,083,121	10,694,479	11,091,059	10,721,923	13,549,252	14,970,454
$ 18,202,197	$ 18,802,211	$ 20,042,325	$ 33,488,400	$ 25,447,365	$ 29,870,958
$ (13,189,494)	$ (15,420,886)	$ (15,029,482)	$ (5,012,255)	$ (13,555,376)	$ (10,260,669)
1,878,740	1,452,943	1,124,898	44,981	2,762,965	3,755,424
$ (11,310,754)	$ (13,967,943)	$ (13,904,584)	$ (4,967,274)	$ (10,792,411)	$ (6,505,245)
$ 5,054,866	$ 5,334,500	$ 5,619,427	$ 5,935,388	$ 6,220,595	$ 6,479,633
-			-		
4,433,756	4,689,005	4,815,640	4,537,068	5,408,109	6,127,110
9,330,651	10,039,921	10,498,160	9,395,523	14,209,579	17,010,748
1,045,733	976,359	1,000,717	1,041,314	1,157,391	1,187,324
168,833	306,056	994,991	1,091,391	242,216	(728,740)
227,618	37,638	113,048	50,731	373,222	582,137
(7,563,349)	(601,476)	(2,902,363)	(126,986)	227,071	1,269,579
-	-	-	-		
12,698,108	20,782,003	20,139,620	21,924,429	27,838,183	31,927,791
1,286,422	1,320,604	1,362,579	1,398,622	1,425,781	1,482,864
-	(26,137)	815,787	753,104	(84,726)	(878,197)
-	240,120	(652,789)			
-	46,948		1,050,000		
7,563,349	601,476	2,902,363	126,986	(227,071)	(1,269,579)
8,849,771	2,183,011	4,427,940	3,328,712	1,113,984	(664,912)
$ 21,547,879	$ 22,965,014	$ 24,567,560	$ 25,253,141	$ 28,952,167	$ 31,262,879
$ (491,386)	$ 5,361,117	$ 5,110,138	$ 16,912,174	$ 14,282,807	$ 21,667,122
10,728,511	3,635,954	5,552,838	3,373,693	3,876,949	3,090,512
$ 10,237,125	$ 8,997,071	$ 10,662,976	$ 20,285,867	$ 18,159,756	$ 24,757,634

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

	2013	2014	2015	2016
General fund:				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	965,312	88,805	37,096	37,292
Restricted	-	-	-	-
Committed	204,139	9,592,749	8,258,692	13,676,510
Assigned	6,103,064	-	-	-
Unassigned	3,361,546	4,825,898	7,346,781	5,398,701
Total general fund	10,634,061	14,507,452	15,642,569	19,112,503
All other governmental funds:				
Reserved	-	-	-	-
Unreserved reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Nonspendable	1,697,235	1,121,826	1,086,826	1,086,826
Restricted	3,135,353	4,201,623	4,184,820	6,702,558
Committed	-	288,953	895,777	41,923
Assigned	236,068	-	-	622,145
Unassigned	(1,635,422)	(426,563)	-	-
Total all other governmental funds	3,433,234	5,185,839	6,167,423	8,453,452
Total all governmental funds	$ 14,067,295	$ 19,693,291	$ 21,809,992	$ 27,565,955

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.

2017	2018	2019	2020	2021	2022
$ -	$ -	$ -	$ -		
-	-	-	-		
43,026	41,262	1,155,945	11,021	44,906	50,324
-	-	-			
13,651,916	14,835,873	14,332,834	6,816,529	6,684,881	20,470,928
	403,227	1,114,527	6,209,614	6,687,765	7,834,385
7,787,769	7,170,465	7,763,396	8,405,679	17,110,145	9,256,820
21,482,711	22,450,827	24,366,702	21,442,843	30,527,697	37,612,457
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,766,454	7,953,098	5,980,066	5,367,307	6,338,982	7,518,863
2,344,205	2,065,945	1,059,306	1,233,770	809,178	609,328
255,176	1,435,396	1,235,290	1,044,500	947,438	849
-	-	-	(2,935,590)	(1,349,310)	(462,718)
8,365,835	11,454,439	8,274,662	4,709,987	6,746,288	7,666,322
$ 29,848,546	$ 33,905,266	$ 32,641,364	$ 26,152,830	$ 37,273,985	$ 45,278,779

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

	2013	2014	2015	2016
Revenues:				
Taxes	$ 16,369	$ 17,136	$ 18,463	$ 19,261
Licenses and permits	814	1,355	1,594	1,918
Fines and forfeits	64	67	68	56
Charges for services	320	1,168	1,887	2,588
Special assessments	728	799	868	920
Intergovernmental	1,129	927	1,188	940
Investment earnings & rent	261	289	393	420
Other revenues	616	1,414	894	959
Total revenues	20,301	23,155	25,355	27,062
Expenditures:				
General government	5,926	5,488	7,795	6,197
Public safety	6,856	6,823	6,693	7,278
Planning and Public Works	3,791	4,160	5,824	4,468
Recreation				
Capital outlay	2,508	436	1,370	2,320
Debt service:				
Costs of issuance	-	-	-	-
Principal	275	290	300	310
Interest	162	152	142	131
Total expenditures	19,518	17,349	22,124	20,704
Excess of revenues over (under) expenditures	783	5,806	3,231	6,358
Other Financing Sources (Uses)				
Proceeds from borrowing	-	-	-	-
Payments to escrow agent	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-
Transfers in	2,825	825	3,430	2,240
Transfers out	(3,101)	(1,099)	(4,544)	(2,842)
Total other financing sources (uses)	(276)	(274)	(1,114)	(602)
Extraordinary item:				
Dissolution of RDA	-	-	-	-
Net change in fund balance	$ 507	$ 5,532	$ 2,117	$ 5,756
Debt service as a percentage of noncapital expenditures	2.57%	2.61%	2.13%	2.40%

2017	2018	2019	2020	2021	2022
$ 19,763	$ 21,016	$ 21,897	$ 20,871	$ 26,958	$ 31,171
2,423	895	1,042	839	1,137	1,356
43	55	68	49	47	49
1,318	435	638	630	969	1,083
933	1,002	1,516	1,878	2,704	3,091
1,402	787	2,470	3,448	5,063	5,254
333	474	1,151	1,244	373	(491)
1,101	1,102	1,671	2,911	1,839	2,338
27,316	25,766	30,453	31,870	39,090	43,851
6,026	8,445	6,912	7,490	6,445	8,604
7,942	8,564	9,038	8,972	8,734	9,901
4,746	4,812	4,691	5,294	5,236	6,134
2,570	2,013	6,997	15,027	6,174	12,113
	86		-		
3,040	270	257	272	288	300
160	344	444	434	422	410
24,484	24,534	28,339	37,489	27,299	37,462
2,832	1,232	2,114	(5,619)	11,791	6,389
7,876	4,062		-		
-	-		-		
-	-	3	-		
5,498	2,984	5,659	12,215	3,801	8,034
(13,923)	(4,222)	(9,040)	(13,084)	(4,471)	(7,505)
(549)	2,824	(3,378)	(869)	(670)	529
-	-	-	-	-	-
$ 2,283	$ 4,056	$ (1,264)	$ (6,488)	$ 11,121	$ 6,918
14.60%	2.74%	3.28%	3.14%	3.36%	2.80%

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			
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%
2021-2022	3,849,959	49,279	3,899,238	1.00%	9,695,296	40.22%

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
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%
2021-2022	1.00%	0.00%	1.00%	0.1170%	0.0100%	1.1270%

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)

2022				2021			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Pismo Beach Mobile Home Park	$ 47,622	1	1.26%	Vespera Pismo Beach Holdings LLC	$ 45,522	1	1.21%
Vespera Pismo Beach Holdings LLC	46,603	2	1.24%	Core Pismo, LLC	43,252	2	1.15%
Core Pismo, LLC	44,341	3	1.18%	Pismo Beach Mobile Home Park	42,154	3	1.12%
Prime Outlets at Pismo Beach	32,844	4	0.87%	Susan Darosa	38,704	4	1.03%
WM Pismo Beach Holdings LLC	28,142	5	0.75%	Prime Outlets at Pismo Beach	32,515	5	0.86%
SCM Pismo Beach Hotel LLC	26,005	6	0.69%	SCM Pismo Beach Hotel LLC	25,749	6	0.68%
Studio Inn and Suites	21,379	7	0.57%	Spalding G Wathen Inc	21,862	7	0.58%
Spalding G Wathen Inc	20,005	8	0.53%	Castleback Pismo Beach Owner LLC	21,169	8	0.56%
Pismo Coast Plaza LLC	16,907	9	0.45%	Pismo Coast Plaza LLC	16,734	9	0.44%
Cliffs Resort LLC	16,868	10	0.45%	Cliffs Resort LLC	16,705	10	0.44%
Total	$ 300,716		7.97%	Total	$ 304,366		8.07%

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

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

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

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

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
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%
2021-2022	6,391,011	6,391,011	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
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%	5,408,109
2021-2022	399,349,300	7.75%	1.00%	0.50%	6,127,110

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 Sales Tax Allocation Summary 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)

2021

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 108,580	1	27.76%
Other Retail Stores	90,944	2	23.25%
All Other Outlets	89,554	3	22.90%
Apparel Stores	72,663	4	18.58%
Service Stations	29,401	5	7.52%
Food Stores	-	6	0.00%
Total	$ 391,142		100.00%

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%

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			
2022	**2021**	**2020**	**2019**
7 Eleven	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
Chevron	Carters	Carters	Chevron
Cliffs at Shell Beach	Chevron	Chevron	Cliffs at Shell Beach
Coach	Cliffs at Shell Beach	Cliffs at Shell Beach	Coach
Cool Cat Café	Coach	Coach	Cracked Crab
Cracked Crab	Cool Cat Café	CVS Pharmacy	Dolphin Bay Lido Restaurant
CVS Pharmacy	Cracked Crab	Giuseppes Cucina	F Mclintocks Saloon
Dolphin Bay Lido Restaurant	CVS	Levis Outlet	General Electric
Giuseppes Cucina	Giuseppes Cucina	McDonalds	Giuseppes Cucina
Levis Outlet	Hoagies	Miller 76	Miller 76
McDonalds	McDonalds	Nike	Nike
Millers 76	Millers 76	Panchos Surf Shop	Norman Wright Duckworth
Nike	Nike	Ralph Lauren	Orchard Supply Hardware
Panchos Surf Shop	Panchos Surf Shop	Rite Aid	Pacific Coast RV
REC Solar	Ross	Ross	Panchos Surf Shop
Ross	Sky River RV	Sky River RV	Ross
Sky River RV	Splash Café	Sky River RV	Shell
Splash Café	Spyglass Shell	Splash Café	Sky River RV
Spyglass Shell	Teenie Wahine	Spyglass Shell	Splash Café
Vans	Vans	Vans	Spyglass Shell
Ventana Grill	Ventana Grill	Ventana Grill	Ventana Grill
Wooly's Oyster Loft	Wooly's Oyster Loft	Wooly's Oyster Loft	Wooly's Oyster Loft

Fiscal Year Ended June 30			
2018	**2017**	**2016**	**2015**
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	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
F Mclintocks Saloon	Dolphin Bay Lido Restaurant	Dolphin Bay Hotel & Lido Rest.	Dolphin Bay Hotel & Lido Rest.
Levis Outlet	F Mclintocks Saloon	F Mclintocks Saloon	F Mclintocks Saloon
Miller 76	Levis Outlet	Five Cities Chevron	Five Cities Chevron
Nike	Miller 76	Giuseppes Cucina	Giuseppes Cucina
Orchard Supply Hardware	Nike	Miller 76	Miller 76
Oshkosh B Gosh	Orchard Supply Hardware	Nike Retail	Nike Retail
Panchos Surf Shop	Oshkosh B Gosh	Orchard Supply Hardware	Orchard Supply Hardware
Ralph Lauren	Ralph Lauren	Oshkosh B Gosh	Oshkosh B Gosh
Ross	Rite Aid	Ralph Lauren	Ralph Lauren
Sea Venture Resort	Rosas Ristorante Italiano	Rite Aid	Rite Aid
Sky River RV	Ross	Ross	Ross
Splash Café	Sky River RV	Shell	Shell
Spyglass Shell	Splash Café	Sky River RV	Sky River RV
Vans	Spyglass Shell	Splash Café	Splash Café
Ventana Grill	Ventana Grill	Spyglass Shell	Spyglass Shell
Wooly's Oyster Loft	Wooly's Oyster Loft	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
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	135,266,232	Total	14,209,579
2021-2022	154,643,162	11.00%	17,010,748

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	
2012-2013	$	6,165,294	$	411,261
		17		15
2013-2014	$	6,754,657	$	418,059
		17		12
2014-2015	$	7,260,482	$	558,564
		17		14
2015-2016	$	7,711,023	$	591,172
		17		13
2016-2017	$	7,742,190	$	683,153
		17		15
2017-2018	$	8,376,655	$	662,911
		18		14
2018-2019	$	8,756,469	$	662,357
		18		14
2019-2020	$	7,864,308	$	566,758
		19		14
2020-2021	$	11,511,733	$	935,793
		19		14
2021-2022	$	14,036,040	$	923,088
		20		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	
2012-2013	$	446,792	$	256,154
		4		15
2013-2014	$	570,224	$	245,297
		5		17
2014-2015	$	759,673	$	103,400
		7		14
2015-2016	$	511,432	$	386,320
		4		22
2016-2017	$	626,374	$	278,934
		4		25
2017-2018	$	797,455	$	202,901
		5		32
2018-2019	$	810,687	$	268,647
		5		53
2019-2020	$	671,690	$	269,855
		5		69
2020-2021	$	1,171,851	$	557,280
		5		74
2021-2022	$	1,360,976	$	690,644
		5		80

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			
2022	**2021**	**2020**	**2019**
Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Vespera on Ocean	Seacrest Oceanfront Hotel	Cottage Inn	Cottage Inn
Seacrest Oceanfront Hotel	Vespera on Ocean	Dolphin Bay Hotel	Dolphin Bay Hotel
Dolphin Bay	Inn at the Pier	Inn at the Pier	Inn at the Pier
Inn at the Pier	Dolphin Bay	Island Hospitality	Island Hospitality
Pismo Shore Cliff	Pismo Shore Cliff	Pismo Coast Village	Oxford Suites
Pismo Coast Village	Pismo Coast Village	Pismo Lighthouse Suites	Pismo Coast Village
Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Shore Cliff	Pismo Lighthouse Suites
Sandcastle Inn	Sandcastle Inn	Sandcastle Inn	Pismo Shore Cliff
Spyglass Inn	Cottage Inn	Seacrest Oceanfront Hotel	Seacrest Oceanfront Hotel

Fiscal Year Ended June 30			
2018	**2017**	**2016**	**2015**
Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Cottage Inn	Cottage Inn	Cottage Inn	Dolphin Bay Hotel
Dolphin Bay Hotel	Dolphin Bay Hotel	Dolphin Bay Hotel	Island Hospitality
Island Hospitality	Island Hospitality	Island Hospitality	Kon Tiki Motel
Kon Tiki Motel	Kon Tiki Motel	Kon Tiki Motel	Oxford Suites
Oxford Suites	Oxford Suites	Pismo Coast Village	Pismo Coast Village
Pismo Coast Village	Pismo Coast Village	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Pismo Lighthouse Suites	Pismo Lighthouse Suites	Sandcastle Inn	Sandcastle Inn
Seacrest Motel	Seacrest Motel	Seacrest Motel	Seacrest Motel
Shorecliff Inn	Shorecliff Inn	Shorecliff Inn	Shorecliff Inn

Fiscal Year Ended June 30	
2014	**2013**
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*
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	-
2021-2022	17.09	4.98	50.99	-

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					
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
2021-2022	$ 2,717,342	$ 1,958,544	$ 95,484	$ 56,364	$ 178,524	$ 5,006,258
	4,430	709	110	39	56	5,344

Wastewater Revenue Concentration Data

Fiscal Year	Class of Customer: Residential	Other Residential	Hotel/Motel	Commercial	Other	Totals
	Revenue in Dollars and Number of Customers					
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
2021-2022	$ 2,616,646	$ 445,355	$ 863,280	$ 873,839	$ 297,279	$ 5,096,399
	4,388	364	44	282	109	5,187

*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			
2022	**2021**	**2020**	**2019**
Pismo Coast Village Inc	Pismo Coast Village Inc	Cliffs Shell Beach	Cliffs Shell Beach
Cliffs Shell Beach	Cliffs Shell Beach	Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc
Pismo Beach Mobile Park Inc	Pismo Beach Mobile Park Inc	Oxford Suites Resort	Motel 6
Oxford Suites Resort	Pismo Lighthouse Suites	Pismo Beach Mobile Park Inc	Oxford Suites Resort
Dolphin Bay Hotel Inc	Pismo Dunes Resort Mtr #1	Pismo Coast Village Inc	Pismo Beach Mobile Park Inc
Pismo Lighthouse Suites	Pismo Dunes Resort Mtr #2	Pismo Dunes Resort Mtr #1	Pismo Coast Village Inc
Inn at the Pier	Dolphin Bay Hotel Inc	Pismo Dunes Resort Mtr #2	Pismo Dunes Resort Mtr #1
Pismo Dunes Resort Mtr #1	Seacrest Resort	Pismo Lighthouse Suites	Pismo Dunes Resort Mtr #2
Seacrest Resort	Oxford Suites Resort	SCM Pismo Pier Partners, LLC.	Pismo Lighthouse Suites
Vespera Resort	Shorecliff Lodge	Shorecliff Lodge	Seacrest Resort

Fiscal Years Ended June 30			
2018	**2017**	**2016**	**2015**
Cliffs Shell Beach	Cliffs Shell Beach	Cliffs Shell Beach	Cliffs Shell Beach
Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc	Dolphin Bay Hotel, Inc.	Dolphin Bay Hotel, Inc.
Kon Tiki	Kon Tiki	Motel 6 Inc.	Kon Tiki
Motel 6	Oxford Suites Resort	Oxford Suites Resort	Motel 6 Inc.
Oxford Suites Resort	Pismo Beach Mobile Park Inc	Pismo Coast Village, Inc.	Oxford Suites Resort
Pismo Beach Mobile Park 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
Seacrest Resort	Seacrest Resort	Seacrest Resort	Seacrest Resort
Shorecliff Lodge	Shorecliff Lodge	Shorecliff Lodge	Shorecliff Lodge

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

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

	Governmental Activities			Business-Type Activities			
Fiscal Year	Lease Revenue Bonds	Special Assessment Bonds	Unamortized Bond Premium	Capital Lease Obligations	Lease Revenue Bonds	Unamortized Bond Premium	State of California and Other Loans
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
2021-2022	10,360	-	159	-	3,590	223	3,933

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
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
18,265	3.68%	2,289	7,981	62,144

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				
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
2021-2022	-	10,359,660	158,969	10,518,629	114,259	10,404,370	0.27%	1,317.96

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, 2022

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	$ 22,396,208	6.217%		$ 1,392,372
San Luis Obispo County Pension Obligations	29,843,112	6.217%		1,855,346
Lucia Mar Unified School District Certificates of Participation	15,885,000	18.511%		2,940,472
TOTAL OVERLAPPING DEBT REPAID WITH PROPERTY TAXES				$ 6,188,192
OVERLAPPING TAX AND ASSESSMENT DEBT:				
San Luis Obispo County Flood Control and Water Conservation District, Zone No. 3	6,030,000	33.285%		2,007,086
San Luis Obispo Community College District	163,735,000	6.192%		10,138,471
San Luis Coastal Unified School District	148,855,000	3.558%		5,296,261
Lucia Mar Unified School District	111,135,232	18.511%		20,572,243
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				$ 38,014,060
CITY DIRECT DEBT - GOVERNMENTAL ONLY:				
City of Pismo Beach General Fund Obligations	10,582,572	100.00%	(2)	$ 10,582,572
TOTAL DIRECT DEBT				**$ 10,582,572**
TOTAL OVERLAPPING DEBT				**$ 44,202,252**
TOTAL DIRECT AND OVERLAPPING DEBT			(3)	**$ 54,784,824**

Ratios to Adjusted Assessed Valuation:

Total Overlapping Tax and Assessment Debt	0.97%
Total Direct Debt (City of Pismo Beach)	**0.27%**
Combined Total Debt	1.41%

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 ($222,912).
(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
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%
2021-2022	146,220,824	-	0%

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value	$	3,899,221,985
Conversion Percentage (25%)		25%
Adjusted Assessed Valuation		974,805,496
Debt Limit Percentage (15%)		15%
Debt Limit		146,220,824
Less debt applicable to limit:		
General obligation bonds		-
Total debt applicable to limit		-
Legal debt margin	$	146,220,824
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
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	-	-	-	-	-	-	-
2021-2022	-	-	-	-	-	-	-

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
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
2021-2022	6,070,939	-	4,235,201	1,835,738	557,185	52,075	3.01

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
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
2021-2022	6,070,939	-	4,235,201	1,835,738	13,588	1,059	125.34

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
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
2021-2022	6,070,939	-	4,235,201	1,835,738	36,324	5,582	43.81

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
2020-2021	5,478,360	-	4,044,704	1,433,656	29,302	18,949	29.71
2021-2022	6,070,939	-	4,235,201	1,835,738	37,299	20,826	31.58

2012 Revenue Bonds

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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	176,843	7.38
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	159,065	4.07
2020-2021	5,478,360	-	4,044,704	1,433,656	240,000	148,363	3.69
2021-2022	6,070,939	-	4,235,201	1,835,738	255,000	135,988	4.70

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
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%
2021-2022	7,981	495,971,264	62,144	3.10%

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, 2022

Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	267	1	7.03%
Keller-Williams	231	2	6.08%
Custom House Restaurant G	195	3	5.13%
Dolphin Bay Resort	165	4	4.34%
California Fresh Market	130	5	3.42%
City of Pismo Beach	126	6	3.32%
Sea Venture	121	7	3.18%
Central Coast California Hosp	100	8	2.63%
US Postal Service	90	9	2.37%
Martin Resorts	82	10	2.16%
Total	1,507		39.66%

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

Fiscal Year Ended June 30, 2014				Fiscal Year Ended June 30, 2013			
Employer	Number Employees	Rank	Percentage of Total City Employment	Employer	Number Employees	Rank	Percentage of Total City Employment
The Cliff's of Shell Beach	220	1	4.40%	The Cliff's of Shell Beach	222	1	4.53%
Dolphin Bay Resort	197	2	3.94%	Dolphin Bay Resort	195	2	3.98%
U.S. Postal Service	105	3	2.10%	U.S. Postal Service	102	3	2.08%
Keller-Williams	98	4	1.96%	Keller-Williams	92	4	1.88%
Brad's Restaurant	85	5	1.70%	City of Pismo Beach	86	5	1.76%
City of Pismo Beach	85	6	1.70%	Brad's Restaurant	75	6	1.53%
Sea Venture	73	7	1.46%	Sea Venture	70	7	1.43%
McClintock's	66	8	1.32%	McClintock's	68	8	1.39%
Steamer's	53	9	1.06%	Steamer's	62	9	1.27%
Shore Cliff Lodge	50	10	1.00%	Shore Cliff Lodge	49	10	1.00%
Total	1,032		20.64%	Total	1,021		20.84%

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government:										
Administration	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Human Resources	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
City Council	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
City Attorney - Contract	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
CVB	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.70
Administrative Services	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90	5.90
Information Technology	-	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public safety:										
Police	33.00	34.00	34.00	33.85	33.85	33.70	33.70	33.70	33.70	36.70
Parking	-	-	-	0.15	0.15	1.30	1.30	1.30	1.30	1.30
Community Development:										
Planning	4.60	4.60	4.60	4.60	4.60	4.55	4.55	4.55	4.55	3.70
Building	4.20	4.10	4.10	4.15	4.15	3.15	3.15	3.15	3.15	3.25
Recreation	1.20	1.20	1.20	1.20	1.20	1.15	1.15	1.15	1.15	1.30
Parking	1.00	1.10	1.10	1.05	1.05	0.15	0.15	0.15	0.15	0.05
Public Works/Engineering:										
Engineering	3.70	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Streets and Govt Bldgs	4.78	3.03	3.03	2.83	2.83	3.78	3.78	3.03	3.03	3.03
Park Maintenance/Fac.	7.52	7.32	7.32	7.17	7.17	7.27	7.27	8.02	9.02	11.02
Water:										
Treatment and distribution	5.00	5.00	5.00	6.70	6.70	5.65	5.65	5.65	5.65	5.65
Billing	0.67	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Wastewater:										
Collection and treatment	8.05	8.10	8.10	7.80	7.80	7.80	7.80	7.80	7.80	7.80
Billing	0.33	0.50	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	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Totals	94.00	94.00	94.00	95.00	95.00	94.00	94.00	94.00	95.00	99.00

Source: City of Pismo Beach payroll records.

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

Function/Program:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Physical arrest	873	996	1,116	1,072	1,194	1,235	1,220	1,233	1,742	1,585
Traffic violations	1,769	1,929	1,737	938	996	1,887	2,069	1,609	2,862	1,645
Fire:										
Emergency responses	1,084	1,175	1,265	1,528	1,349	1,355	1,340	1,383	1,460	1,503
Fires extinguished	25	16	21	26	22	23	21	24	22	21
Building:										
Building permits issued	246	209	290	205	220	185	185	152	385	451
Other permits issued	436	478	956	551	640	533	472	422	179	384
Public works:										
Miles streets resurfaced	6.08	-	-	-	2.50	0.50	0.25	0.75	-	-
Parks and Recreation:										
Number of facility rentals	274	216	240	258	258	301	352	277	72	205
Number of class admissions	2,000	2,000	3,000	3,500	3,500	3,500	2,956	2,800	2,000	2,300
Water:										
Number new connections	21	5	20	221	67	12	105	120	30	40
Daily average water production in MGD	1.84	1.91	1.64	1.47	1.43	1.59	1.46	1.50	1.60	1.54
Daily average water consumption in MGD	1.63	1.72	1.52	1.27	1.25	1.48	1.34	1.70	1.93	1.43
Wastewater:										
Number new connections	7	33	53	109	62	23	6	120	39	7
Daily average treatment in millions gallons(MGD)	1.07	1.07	1.01	0.95	0.99	0.98	0.98	0.99	0.95	0.96

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:	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	842	842	844	844	909	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	56	56	56	56	56	56	56	56	56
Number connections	4,596	4,614	4,718	4,787	4,521	4,575	4,680	4,680	4,882	5,011
Maximum plant capacity in millions gallons	2.16	2.16	2.16	2.16	2.40	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	4,377	4,394	4,447	4,562	4,536	4,559	4,565	4,685	4,724	4,731
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 2021-22

$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)	2022
5/8"	$34.17
3/4"	$34.17
1"	$52.15
1 ½"	$96.52
2"	$150.77
3"	$303.93
4"	$466.19
6"	$1,089.64

BI-MONTHLY RESIDENTIAL
FIXED CONSUMPTION CHARGES[1]

Customer Classification	2022
Single Family	$71.72
Multifamily	$45.27
Mobile Home	$31.38

[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 2021-22

$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	2022
Commercial	$8.78
Dual Residential/Restaurant	$12.38
Dual Residential/Commercial	$8.48
Grocery	$15.72
Hotel	$7.28
Hotel w/ Rest.	$11.81
School w/Cafeteria	$7.23
School	$4.65
Shopping Center	$6.30
Shopping Center w/Restaurant	$15.27
Trailer/RV	$3.94
Service Station	$7.04
Restaurant/Bakery	$15.82
Municipal	$6.11

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

Schedule 19 – Page 3
City of Pismo Beach
Continuing Disclosure Annual Report Information for Fiscal Year 2021-22

$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 2021-22

	Customer Name	Sewer Revenues	% of Total
1	Cliffs Shell Beach (Hotel)	$80,324.32	1.42%
2	SCM Pismo Pier Partners, LLC	$70,397.09	1.10%
3	VPB Operating Co., LLC	$70,078.12	1.01%
4	Cliffs Shell Beach (Restaurant)	$60,747.83	0.99%
5	Dolphin Bay Hotel Inc.	$54,312.06	0.99%
6	Pismo Lighthouse Suites	$53,799.73	0.90%
7	Pismo Coast Village Inc.	$53,719.40	0.85%
8	Pismo Beach Mobile Home Park	$52,345.77	0.71%
9	Oxford Suites Resort	$44,998.28	0.58%
10	Seacrest Resort	$43,654.22	0.57%
	Total	$584,376.82	9.12%
	Other Customers	$4,668,606.20	90.88%
	Total Revenues	$5,252,982.02	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 2021-22
GROSS REVENUES	
Charges for Services	$ 5,291,464
Miscellaneous Revenue	779,475
Interest and Investment Revenues	(397,027)
TOTAL REVENUES	$ 5,673,912
OPERATING EXPENSES[3]	
Salaries and Benefits	$ 802,697
Purchased Power	-
Customer Accounting	-
Services and Supplies	1,902,788
TOTAL OPERATING EXPENSES	$ 2,705,485
NET REVENUES	$ 2,968,427
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	$ 58,126
2012 Wastewater Bonds	$ 390,988
TOTAL DEBT SERVICE PAYMENTS	$ 1,114,927
DEBT SERVICE COVERAGE RATIO	2.66
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$ 1,853,500**

[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 2021-22

$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, 2022. 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 2021-22
$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, 2022. 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 2021-22
$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, 2022. 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 2021-22

Table 1: Ten Largest Customers of Water Enterprise

	Customer Name	Consumption	Water Revenues	% of Total
1	Pismo Coast Village Inc.	11,476	$ 69,139	1.32%
2	Cliffs Shell Beach	10,905	$ 74,765	1.43%
3	Pismo Beach Mobile Home Park	8,292	$ 51,803	0.99%
4	Oxford Suites Resort	7,356	$ 41,257	0.79%
5	Dolphin Bay Hotel Inc.	7,066	$ 49,841	0.95%
6	Pismo Lighthouse Suites	6,966	$ 49,864	0.95%
7	SCM Pismo Pier Partners, LLC	6,165	$ 43,476	0.83%
8	Pismo Dunes Resort - Sun Commı	5,902	$ 33,048	0.63%
9	Seacrest Resort	5,754	$ 40,522	0.77%
10	VPB Operating CO., LLC	5,721	$ 40,822	0.78%
	Total	75,603	$ 494,538	9.45%
	Other Customers		$ 4,741,407	90.55%
	Total Revenues		$ 5,235,944	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	4,442
Apartments	368
Commercial/Industrial	345
Other	208
Total All Customers	5,363
Water Sales Revenue	$5,241,542

Schedule 22 – Page 2
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2021-22

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

Water Service Rates
Minimum Monthly Service Charge: $17.09 Additional Charge per 100 Cubic Feet of Water Used: $4.98 0-10; $5.68 11-16; $6.51 17-32; $8.72 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: 1,727 Acre Feet **Impact Fees/Water Tax:** Type: Water Tax Revenue Received: $1,482,864 Type: Impact Fees Revenue Received: $463,737

Schedule 22 – Page 3
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2021-22

CITY OF PISMO BEACH

	Audited
REVENUES	**FY 2021-22**
Water Sales	$5,241,542
Interest	(299,481)
Assessments	1,482,864
Other Revenue	721,095
TOTAL REVENUES	$7,146,020
OPERATING EXPENSES	
Administration and General	$ 663,108
Lopez Contract Payments	1,421,458
Operations & Maintenance	1,676,298
Utilities	151,363
TOTAL OPERATING EXPENSES	$3,912,227
NET REVENUES	$3,233,793
State Water Payments	$1,513,316
TOTAL CONTRACT PAYMENTS	$1,513,316
COVERAGE RATIO	2.14
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$1,720,477**