City of Pismo Beach,
California

Annual Comprehensive Financial Report

For Fiscal Year Ended June 30, 2023



CITY OF PISMO BEACH, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by:

Administrative Services Department

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Introductory Section

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Administrative Services Department
760 Mattie Road, Pismo Beach, CA 93449
(805) 773-4655 | PismoBeach.org

December 18, 2023

To the Honorable Mayor,
Members of the City Council, and
Residents 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, 2023. 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, 2023 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, 2023 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, 2023 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 Reporting.

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 7,865 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 25, 2023 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 periodically. In FY 2023 and the beginning of FY 2024, 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 for FY 2024 and FY 2025 displays signs of improvement, as indicated by key economic metrics.

Reviewing the period encompassing the remainder of 2023 and the calendar years 2024 and 2025, the Federal Open Market Committee (FOMC) unveiled its September 20, 2023 economic projections. These projections, barring unforeseen economic disruptions, anticipate a real Gross Domestic Product (GDP) growth rate of 2.1% in 2023, followed by 1.5% in 2024 and 1.8% in 2025. The FOMC considers a GDP growth range of 2.0% to 3.0% per year to be optimal. GDP represents the total value of goods and services produced within a nation's borders during one year. The GDP growth rate measures the economy's expansion relative to the previous year.

Additionally, the Committee foresees minimal fluctuations in the national unemployment rate, currently at 3.8% in 2023, and a slight uptick to 4.1% in both 2024 and 2025. The standard range for the unemployment rate is influenced by workforce composition and labor supply and demand, with the FOMC estimating the normal unemployment rate to fall between 3.6% and 4.5%. Lastly, the FOMC projects that personal consumption expenditures (PCE) inflation will stand at 3.3% in 2023, decline to 2.5% in 2024, and further reduce to 2.2% in 2025. PCE inflation serves as the principal gauge of inflation for the FOMC, encompassing the costs incurred by individuals for goods and services, including healthcare expenses. The FOMC steers monetary policy by monitoring inflation rates, aiming to maintain long-term inflation at a rate of 2.0%.

Based on the September 20, 2023 FOMC economic outlook, the Committee anticipates a modest increase in the federal funds rate to 5.6% in 2023, potentially followed by a reduction to 5.1% in 2024 and a further decrease to 3.9% in 2025.

In summary, the U.S. economic outlook for FY 2024 and FY 2025 exhibits positive growth trends, characterized by low unemployment rates, albeit with a slightly slower GDP growth rate than the ideal 2.0%.

State of California Economy

Based on economic projections from the California Department of Finance in April 2023, the California consumer price index for urban consumers (CPI-U) is set to rise by 3.5% in FY 2024 compared to FY 2023, followed by a 2.9% growth in FY 2025 compared to FY 2024. This is a notable shift from the projected FY 2023 growth rate of 5.9% compared to the previous year. The state's fiscal health currently stands on a positive footing, and the future-year outlook continues to signal economic expansion. Employment is projected to grow modestly, with a 0.3% increase in FY 2024 and a 0.5% increase in FY 2025, correlating with a projected unemployment rate of 5.1% and 5.2% for FY 2024 and FY 2025, respectively, slightly above the anticipated national average. Personal income is also on an upward trajectory, with an expected 4.1% growth in 2024 compared to 2023, followed by a 4.6% increase in 2025 compared to 2024, building upon the projected 4.6% uptick in 2024 compared to 2023 personal income.

California Tourism Dynamics:

The City of Pismo Beach relies significantly on tourism, constituting a substantial portion of its revenue. The City's General Fund, its largest discretionary fund, draws 48% of its revenues from Transient Occupancy Tax (TOT), an 11% tax on short-term lodging rentals. Additionally, a portion of the City's sales and use tax revenues is derived from visitor spending on shopping, dining, fuel purchases, and general consumer goods within Pismo Beach.

The broader California travel and tourism sector continues to exhibit robust growth. According to Tourism Economics' "California's Visitation Economy Travel Forecast & Key Drivers" from May 2023, total visitors to California are expected to increase by approximately 5% in 2024 compared to 2023, with a further 3.5% rise in 2025 compared to 2024. Estimated total expenditures by these visitors in California are projected to surge by 8% in 2024 and 5% in 2025. Visitors to Pismo Beach could follow this path, but it is also possible that more travel will occur in other larger California cities as the City of Pismo Beach experienced peak visitors in FY 2022, largely due to impact of COVID-19 on global travel.

City of Pismo Beach Economy

The City of Pismo Beach is intricately linked to the broader economic dynamics of both the United States and the State of California. However, it stands out as a city with a heightened reliance on tourism compared to the average municipality. The City's primary influx of visitors hails from the San Joaquin Valley, seeking respite from the valley's scorching summer temperatures. This annual visitor base provides a stable foundation for the City's tourism sector.

Notably, the impact of the COVID-19 global pandemic brought about a unique situation. Reduced international and air travel prompted a swift rebound for Pismo Beach, as new visitors sought a safe haven for travel, drawn by the city's abundance of outdoor activities, including its sandy beach, year-round temperate climate, the allure of the Pismo Preserve, and the newly established Pier Plaza. In fact, Pismo Beach has consistently led the way in San Luis Obispo County's tourism and hospitality sector.

Nonetheless, the unexpected rainy weather in FY 2023, coupled with anticipated rainfall in FY 2024, has led to cautious forecasts. Staff expects a downturn in visitor activity, impacting both Transient Occupancy Tax (TOT) and sales tax revenues. Looking ahead to FY 2024 and FY 2025, the City foresees continued growth, albeit at a notably more gradual pace—approximately 8.4% in FY 2024 and less than 1% in FY 2025. This projection aligns with the overall economic landscape, which is still expanding, albeit at a more restrained rate.

City's Response to Economic Issues

In response to these economic challenges, the City's Adopted Budget demonstrates financial prudence through several strategic measures. It incorporates conservative revenue projections, maintains fully funded reserves, establishes a Budget Stabilization Reserve to fortify against revenue declines during economic downturns, and continues to make one-time prepayments to reduce the CalPERS unfunded pension liability. Additionally, the budget allocates resources for essential infrastructure enhancements and community investments, reinforcing the City's strong fiscal foundation. These measures underscore the City's commitment to financial stability and preparedness for potential economic uncertainties.

Furthermore, the City's Lodging Business Improvement District (LBID) plays a pivotal role in supporting the local lodging industry. By collecting 1% of gross lodging revenues, the LBID fuels initiatives to expand tourism markets, ensuring optimal utilization of these funds while delivering a distinctive experience for visitors. An additional 1% levy on gross lodging revenues is allocated to enhance visitor-serving amenities, including projects such as the Addie Street restroom improvement initiative, the acquisition of five beach wheelchairs, a feasibility study to extend the Downtown boardwalk from Main Street to Wadsworth Avenue, and future endeavors. These strategies exemplify the City's commitment to sustainable growth and bolstering its tourism sector.

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 continue 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 parking, 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 2023
- Debt Management Policy, 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 2023.

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 2023 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 2024 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 2023, 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 2023, including: community-wide security cameras; City Hall and Corporation Yard Improvements, Ocean Boulevard Improvements, the 2022 Paving project, Chumash and Palisades Parks 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 Police Department's new Computer Aided Dispatch/Records Management System (CAD/RMS) project; 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. In FY 2023, Water and Wastewater fees were updated to reflect the final year of rate changes from the prior approved 5-year rate change for Water and Wastewater Fees. On October 17, 2023, after a comprehensive analysis, public outreach, multiple workshops, and a public hearing, the Council adopted a new 5-year rate schedule for Water and Wastewater Fees effective January 1, 2024 and every January 1st thereafter through January 1, 2028. The City is working with other agencies on Central Coast Blue, a recycled water facility, 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. Pismo Beach Police Department Dispatchers implemented dispatching for the City of Grover Beach as part of regionalizing dispatching to share costs for efficient operations.

Employee Development: Attract and retain competent employees for the City workforce by compensating employees fairly, providing adequate training opportunities, ensuring safe working conditions, and maintaining a professional work environment. The City staff produced two training academies in-house to get its employees up to speed on how the City government works, including the Management Academy and Line-Level Academy. Staff also annually trains its employees on cybersecurity and invests in external training for professional development at conferences, trainings, webinars, trade, financial, fraud, public safety, etc.

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 2023 for the Ocean Boulevard Improvements project that has visitor amenities; continues to invest in maintenance of the City's infrastructure including hiring more Maintenance Workers to ensure the cleanliness and beautification of the City's Downtown and beach areas.

Projects Accomplished in FY 2023

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 2023. The following list highlights some of the most significant accomplishments in FY 2023.

Infrastructure Maintenance and Beautification
- ✓ Completion of the Bello Bridge Project
- ✓ Completion of the Price Historical Park Sign
- ✓ Completion of the Ocean Boulevard Improvement Project
- ✓ Completion of the Dinosaur Caves/Price Historical Park Restroom Project
- ✓ Completion of the Price Canyon Slope Repair
- ✓ Completion of the Corporation Yard and City Hall Remodel
- ✓ Completion of the Pismo Storm Drain Project
- ✓ Completion of the North Shell Beach Road Storm Drain Repair
- ✓ Completion of the Spyglass Drive Sidewalk under US 101
- ✓ Started construction of the 2022 Paving Project
- ✓ Completion of the Central Coast Blue Test Injection Well

Housing, Health, and Safety
- ✓ Continued Community Camera Program expansion
- ✓ Purchased and implemented policy for IA Pro, an early warning system recommended by CALEA
- ✓ Community Service Technician Program funded in FY 2024 to continue into the future
- ✓ New License Plate Readers (LPRs) were purchased and are being installed in designated areas throughout the city to assist with investigations and criminal activity involving vehicles.
- ✓ Purchased and Implemented Computer Aided Dispatch (CAD) and Report Management Software (RMS)
- ✓ Completed the dispatch consolidation with Grover Beach Police Department (GBPD). The dispatch center is fully staffed with a total of nine dispatchers and provides full-time dispatch services for GBPD.
- ✓ Implemented California Assembly Bill 953 (Racial and Identity Profiling Act (RIPA)
- ✓ Simulcast radio project completion, which included replacing all the vehicle and handheld radios. The project began with some infrastructure work which, combined with the new radios, helped the reception throughout the city immensely.

- ✓ Identified high-risk areas within the City requiring fuel reduction to reduce impact from a damaging wildfire
- ✓ Implemented Vegetation Management Projects at Bluffs/Cave, Chumash Park, Ontario, Pismo Preserve, Squire/Shell Beach tie-in, Lighthouse, Gragg Canyon
- ✓ Updated training and improved management of Junior Lifeguard and Lifeguard Programs
- ✓ Conducted nine (9) joint City Council and Planning Commission study sessions for update to the General Plan/ Local Coastal Program
- ✓ Completed annual Community Development Block Grant funding processes
- ✓ Construction in progress with City financial support on a 25-unit senior affordable housing project on Shell Beach Road
- ✓ Construction in progress on a 50-unit affordable housing project on 4th Street
- ✓ Senate Bill 9 Ordinance developed, approved, and certified by the California Coastal Commission
- ✓ Completed General Plan / Local Coastal Program Amendment for the St. Andrews Tract and certified by the California Coastal Commission
- ✓ 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
- ✓ 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 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 visitors such as Pumpkins in the Park, Easter Eggstravaganza, Pacific Breeze Concert Series, Stride with the Tide, Movies in the Park, 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
- ✓ Continued success of the Public Works My Maintenance program where the City is broken into 6 maintenance zones. A member of the City's maintenance crew drives 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 2024 Major Initiatives

The FY 2024 & FY 2025 City Goals build upon the success of the FY 2022 & FY 2023 City goals from the last two-year budget. Similar to the last two-year budget, the Council continues to focus on providing resources toward enhancing quality of life for residents; ensuring the safety of the community; providing a sustainable water supply; addressing traffic, circulation, and parking, and supporting regional efforts for housing and homelessness. The majority of these goals are continued from the last two-year budget, with the addition of the term "beautification" to the Community Character and Quality of Life for Residents goal, and a new goal for FY 2024 and FY 2025: Housing and Homelessness. This new goal supports regional efforts to address housing needs and homelessness.

- The Community Character, Beautification and Quality of Life for Residents City Goal includes investing in neighborhoods, including road, sidewalk, beautification, and park improvements and providing exceptional services to the public. This goal also includes completing updates to the Local Coastal Plan/General Plan/Zoning code. New to this goal is the addition of beautification improvements.

- The Maintain a Focus on Public Safety City Goal is another continued and important goal. This includes building the new Public Safety Facility and enhancing Police presence in the downtown area, as well as prioritizing recruitment and retention of Police personnel and supporting technology investments that enhance public safety.

- The Council continues to prioritize Water Supply, Conservation, and Central Coast Blue. This long-term goal and the 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.

- Another continued goal is Traffic, Circulation, and Parking, which includes improving traffic flow and parking assets to meet the needs of current and future residents and visitors.

- Finally, the new City goal that was added this year is Housing and Homelessness, which supports regional efforts to address housing needs and homelessness.

These goals reflect our dedication to the well-being and prosperity of our community, building upon past successes and embracing new challenges for the benefit of all residents.

The FY 2024 Adopted Budget allocates resources to specific projects aligned with our five City Goals. These projects are designed with a keen understanding of our community's needs, built upon strong partnerships, financially supported by the City's stable position, and ultimately aimed at ENHANCING THE QUALITY OF LIFE for our residents. As we move forward, the future looks promising for Pismo Beach, its residents, and visitors, thanks to our strategic investments that will have lasting positive impacts.

AWARD AND ACKNOWLEDGMENTS

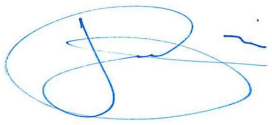
Award for Excellence in Financial Reporting

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, 2022. 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,



Jorge E. Garcia
City Manager



Nadia Feeser
Administrative Services Director

City Council

Mayor	Edward Waage
Mayor Pro Tempore	Mary Ann Reiss
Council Member	Marcia Guthrie
Council Member	Stacy Inman
Council Member	Scott Newton

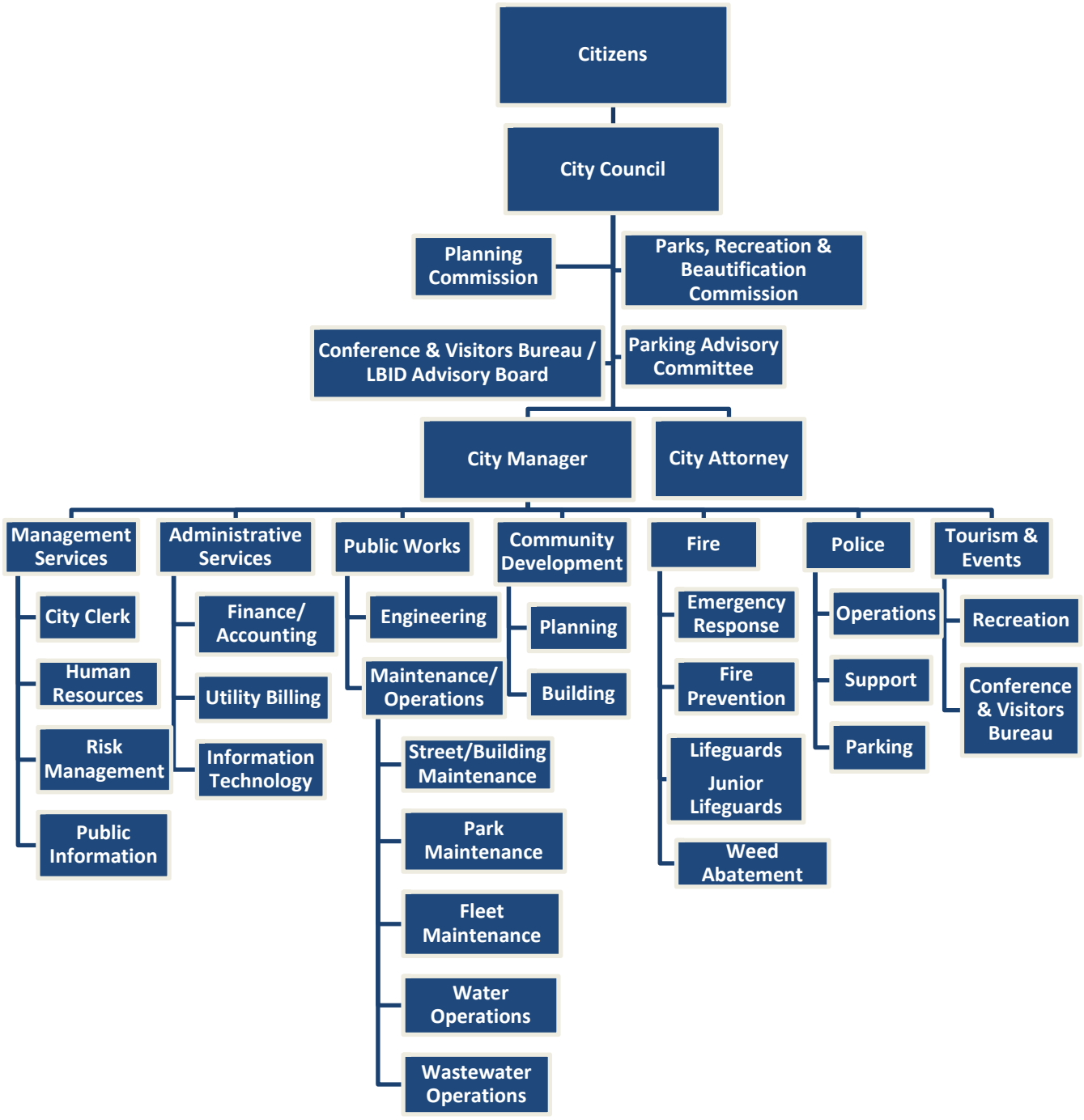
Executive Management Team

City Manager	Jorge E. Garcia
Administrative Services Director	Nadia Feeser
Community Development Director	Matthew J. Downing
Fire Battalion Chief	Paul Lee
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
Accountant	Barbara Aspernelson
Accountant	Heather Johnson
Accounting Technician	Emily France
Accounting Technician	Julia Goodman
Accounting Clerk	Brenda Alvarado
Accounting Clerk	Jessica Benzon
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, 2022

Christopher P. Morrill

Executive Director/CEO

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Financial Section

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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, 2023, 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, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 91–100 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 December 18, 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

Badawi & Associates, CPAs
Berkeley, California
December 18, 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, 2023. 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 $6.43 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 $197.02 million at the end of the 2023 fiscal year. Of that amount, $59.17 million (the unrestricted net position) may be used to meet the City's ongoing obligations and operating expenses for the next fiscal year.

- Overall City-wide revenues from all governmental and business-type activities decreased by about $0.12 million compared to the 2022 fiscal year. The decrease in revenues was largely in: capital grants and contributions of $4.71 million less than fiscal year 2022 and transient occupancy tax revenues of $1.53 million less than the prior fiscal year.

- Transient Occupancy Tax Revenues decreased by $1.53 million, or 8.99%, in the 2023 fiscal year to $15.48 million. The decrease was due to a decrease in tourist and visitors to the City due to a significant amount of rainy weather and more opportunities to travel to other areas compared to the previous fiscal year that included tourists who were not ready or able to travel elsewhere due to COVID-19 concerns.

- The City's total expense of all programs in the 2023 fiscal year increased by about $18.21 million, or 50.05% compared to the 2022 fiscal year. This increase is largely attributable to increased spending on streets by $9.38 million compared to the previous fiscal year to reflect a large street paving project underway by the City. This is followed by an additional $3.11 million of spending in public safety, reflecting a portion of the design and planning for the Public Safety Facility project, and an additional $2.78 million in wastewater and $2.00 million in water to reflect the planning and design costs of the Central Coast Blue recycled water facility project.

- The General Fund reported a fund balance of $36.20 million at the end of the 2023 fiscal year; a 3.74 percent decrease from the end of the 2022 fiscal year. This is a combination of decreased revenues and covering increased expenditures, drawing down $1.41 million from the fund balance. The General Fund total fund balance at the end of fiscal year 2022 was $37.61 million.

- The City also ended the 2023 fiscal year with $29.55 million reported in the proprietary enterprise funds (the amount of the net position available for use both restricted and unrestricted but excluding the net investment in capital assets).

- The City's other governmental funds ended the 2023 fiscal year with about $8.87 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 $8.38 million between fiscal years 2022 and 2023.

Table A-1

City of Pismo Beach's Net Position

(in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022-2023
Current and other assets	$55.06	$56.42	$32.22	$25.88	$87.28	$82.30	6.05%
Capital assets	96.31	92.44	48.54	50.44	144.86	142.88	1.38%
Other noncurrent assets	3.78	3.80	0.06	0.15	3.84	3.95	-2.69%
Total assets	**$155.15**	**$152.66**	**$80.83**	**$76.47**	**$235.98**	**$229.13**	**2.99%**
Deferred Outflows	8.58	5.01	1.55	0.99	10.13	6.00	68.83%
Long-term debt outstanding	28.95	19.35	9.63	9.09	38.58	28.44	35.67%
Other liabilities	7.10	7.30	1.10	0.72	8.21	8.02	2.32%
Total liabilities	**$36.06**	**$26.65**	**10.73**	**$9.81**	**$46.79**	**$36.46**	**28.34%**
Deferred Inflows	1.94	8.56	0.36	1.47	2.30	10.03	-77.08%
Net position							
Investment in capital assets	86.03	81.86	41.74	42.63	127.78	124.49	2.64%
Restricted	8.81	8.24	1.26	1.27	10.08	9.51	5.97%
Unrestricted	30.89	32.36	28.28	22.28	59.17	54.64	8.29%
Total net position	**125.73**	**122.46**	**$71.29**	**$66.18**	**$197.02**	**$188.64**	**4.44%**

Net position of the City's governmental and business-type activities increased 4.44 percent to $197.02 million. About 64.9 percent of the net position of the City are represented by the City's net investment in its capital assets such as buildings, land, equipment, street systems, and facilities less related debt. The remaining 35.1 percent is essentially represented by cash, investments, and receivables. About 82.5 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 2023 total revenues of about $61.02 million were about $0.12 million less than revenues in fiscal year 2022, a 0.19 percent decrease. (See Table A-2.) About 51.5 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 2023 was about $54.59 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.

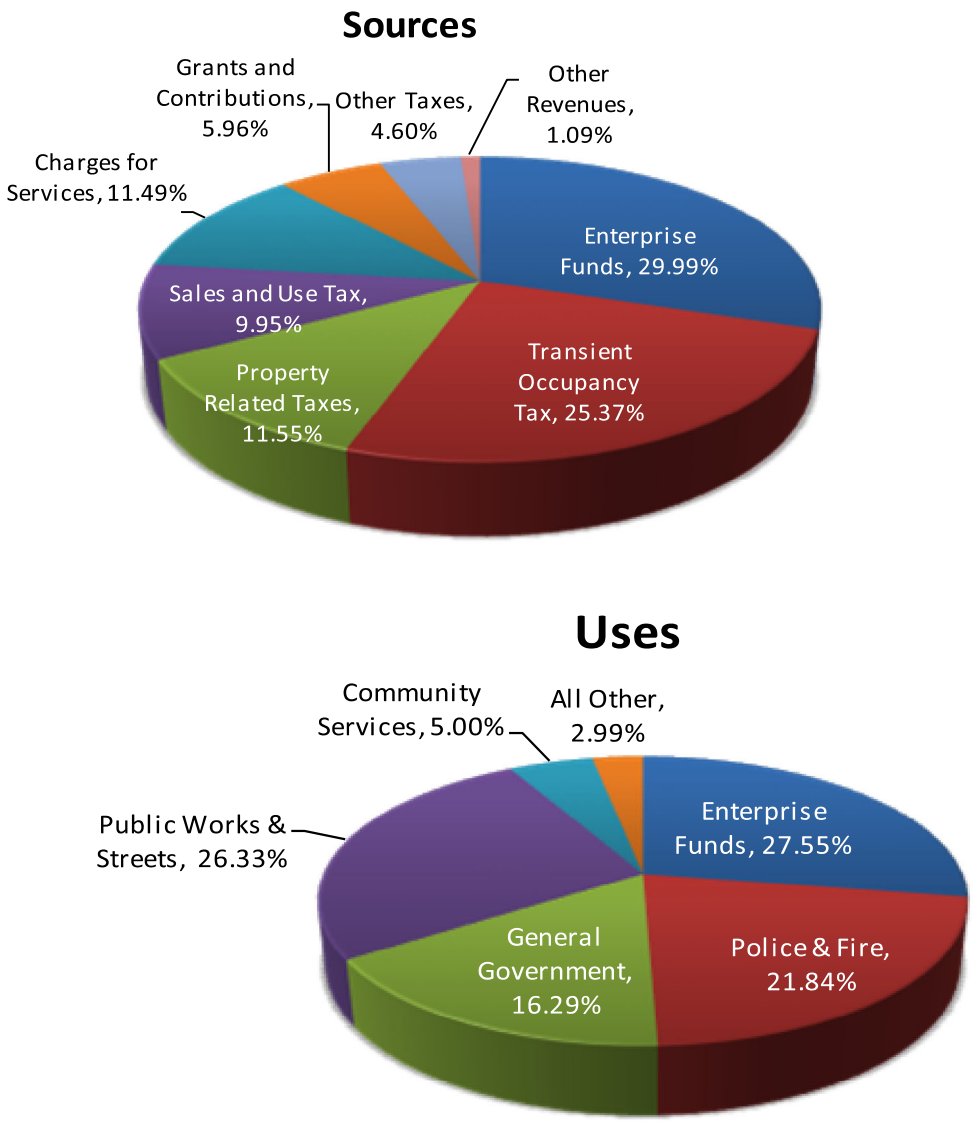
Table A-2

Changes in the City of Pismo Beach's Net Position

(in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022-2023
Revenues							
Program revenues							
Charges for services	$7.01	$7.88	$18.20	$14.92	$25.21	$22.80	10.56%
Operating grants and contributions	3.64	2.31	-	-	3.64	2.31	57.45%
Capital grants and contributions	-	4.71	0.10	0.05	0.10	4.76	-97.82%
General revenues							
Transient occupancy taxes	15.48	17.01	-	-	15.48	17.01	-8.99%
Property, sales and other taxes	14.42	13.79	1.50	1.48	15.93	15.27	4.29%
Other	0.73	(0.14)	(0.07)	(0.87)	0.67	(1.01)	-166.04%
Total revenues	**$41.28**	**$45.56**	**$19.74**	**$15.58**	**$61.02**	**$61.14**	**-0.19%**
Expenses							
General government	8.89	7.28	-	-	8.89	7.28	22.12%
Public safety	11.92	8.81	-	-	11.92	8.81	35.32%
Streets	10.41	1.03	-	-	10.41	1.03	910.68%
Community services	2.73	2.65	-	-	2.73	2.65	2.94%
Public works	3.96	4.91	-	-	3.96	4.91	-19.27%
Water	-	-	7.82	5.82	7.82	5.82	34.40%
Wastewater	-	-	7.22	4.44	7.22	4.44	62.57%
Other	0.60	0.48	1.04	0.96	1.63	1.44	13.40%
Total expenses	**$38.51**	**$25.16**	**$16.08**	**$11.22**	**$54.59**	**$36.38**	**50.05%**
Excess (deficiency) before transfers/other	2.77	20.40	3.66	4.36	6.43	24.76	-74.01%
Transfers	0.50	1.27	(0.50)	(1.27)	-	-	0.00%
Prior year restatement			1.95		1.95	-	100.00%
Increase (decrease) in net position	**3.27**	**21.67**	**$5.12**	**$3.09**	**$8.39**	**$24.76**	**-66.13%**
Net position, beginning of year	**$122.46**	**$100.79**	**$66.18**	**$63.09**	**$188.64**	**$163.88**	**15.11%**
Net position, end of year	**$125.73**	**$122.46**	**$71.29**	**$66.18**	**$197.02**	**$188.64**	**4.44%**

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 2023 fiscal year decreased by about $4.28 million compared to the 2022 fiscal year. The primary decrease was from capital grants and contribution revenues, reflecting a decrease of $4.71 million, followed by a decrease of $1.53 million in transient occupancy tax revenues and a decrease of $0.87 million in charges for services. Offsetting these revenue decreases are increases in operating grants and contributions by $1.33 million, other revenues by $0.87 million, and property, sales, and other taxes by $0.63 million compared to fiscal year 2022.

The City's primary source of revenue comes from some kind of tax. About 72.4 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 37.5 percent of all governmental activities revenues come from transient occupancy tax revenues (the local hotel tax). Local hotel tax revenues came in lower than fiscal year 2022 by 8.99 percent, or $1.53 million. The City's transient occupancy tax revenues decrease can be attributed to double-digit percentage declines in transient occupancy tax revenues from December 2022 through March 2023 compared to the same months in the previous fiscal year. This was largely due to the atmospheric river that caused flooding in California, resulting in fewer visitors to the beach. Additionally, the abundance of snow in the mountains served as an attractive alternative to visiting the beach. Sales tax revenues, including the Half-Cent Transactions Sales and Use Tax revenues, came in $52,627, or 0.26 percent, lower than fiscal year 2022. Sales and use tax revenues excluding the Half-Cent Sales Tax revenues, came in $5,209, or 1.16 percent, lower than fiscal year 2022. Half-Cent Sales Tax revenues came in 0.26 percent lower by $5,209 compared to fiscal year 2022. Sales and use tax revenues decreased in 2023 compared to 2022 largely due to fewer visitors traveling to the City in 2023 compared to fiscal year 2022, offset by an increase in cost for items subject to sales and use tax.

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 31.0 percent of the City's total fiscal year 2023 governmental operating expenses. Public works costs including maintenance of buildings, parks, and other City facilities account for about 10.3 percent of the City's total fiscal year 2023 governmental operating expenses. This is followed by 31.0 percent of the City's total fiscal year 2023 governmental operating expenses for streets, reflecting the City's large street paving project. Another 7.1 percent of the City's fiscal year 2023 governmental activities operating expenses were incurred to provide community services in Pismo Beach. The remaining 24.6 percent was spent on general administration and other expenses.

When all operations were concluded, the governmental activities function generated a $3.27 million increase in net position for fiscal year 2023 compared to a $21.66 million increase in fiscal year 2022.

Table A-3 represents the cost of each of the City's governmental activities largest programs –public safety, public works, streets, administration or general government, 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
	2023	2022	2022-2023
Public Safety	$ 11.92	$ 8.81	35.32%
Streets	10.41	1.03	910.68%
General Government	8.89	7.28	22.12%
Public Works	3.96	4.91	-19.27%
Community Services	2.73	2.65	2.94%
All Other	0.60	0.48	24.38%
Total	**$ 38.51**	**$ 25.16**	**53.06%**

The cost of *all programs* this year was $38.51 million, compared to $25.16 million in fiscal year 2022.

While users and contributors funded about $10.65 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 $27.86 million. Major sources of program revenues were:

- Other governments and organizations that subsidized certain programs with grants and contributions (about $3.64 million), or
- Those who directly benefited from or used the programs amounted to $7.01 million.

The City paid for the $27.86 million "public benefit" portion out of the $30.64 million in general revenues such as property taxes, transient occupancy taxes, sales taxes, and with other tax revenues and investment earnings.

Overall, fiscal year 2023 total cost of services shows an increase of 53.06 percent compared to fiscal year 2022. Expenses increased in Streets, Public Safety, Wastewater, Water, General Government, Community Services, while expenses decreased in the categories for: Public Works, largely due to the completion of the Public Works Corporation Yard project in fiscal year 2022.

Business-Type Activities

The City's business-type activities (primarily water, wastewater, parking, and pier) were responsible for about a $5.11 million increase in net position for fiscal year ending 2023. Revenues in total increased in the fiscal year 2023 by $4.16 million. Revenues for basic water services charges remained relatively level, reflecting a slight decrease by 0.08 percent, or $4,216, in fiscal year 2023 compared to fiscal year 2022. Revenues for basic wastewater services charges increased by 2.74 percent, or $0.14 million, in fiscal year 2023 compared to fiscal year 2022. Water and wastewater service charges revenues reflect rate changes in year 5of a 5-year rate increase plan. Parking kiosk and meter revenues decreased by 7.88 percent or $0.16 million in fiscal year 2023 compared to the previous fiscal year.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As the City completed the year, its governmental funds reported a combined fund balance of $45.08 million, about $0.20 million less than the previous fiscal year. Revenues decreased by $1.72 million, including a decrease in Transient Occupancy Taxes by $1.53 million, subventions by $1.21 million, miscellaneous revenues by $0.74 million, and special assessments by $0.28 million. Revenues increased in investment earnings by $1.28 million based on the performance of the market and the City's holdings, property taxes by $0.57 million, and other taxes by $0.16 million. Expenditures increased by $4.73 million, or 12.62 percent from the previous year, most of which were in Capital Outlay of a $3.33 million, Public Safety of $1.03 million, compared to fiscal year 2022.

The City's General Fund operations generated about $10.62 million more in revenues than was spent on governmental activities. From this excess and using a portion of the fund balance, the City transferred a total of $12.38 million out of the General Fund and into other funds. From the $12.38 million in transfers, $0.43 million was transferred to the Public Financing Agency Fund (PFA) for debt service, about $6.92 million was transferred out to capital projects, $0.13 million was transferred to the Motor Vehicle

Replacement Internal Service Fund and Information Technology Internal Service Fund, $0.10 million was transferred to the Wastewater Fund for the IRS subsidy for the Series 2017B Clean Renewable Energy Bonds, and the remaining transfers went to the Pier Operations Fund. At year end, the City's General Fund had a fund balance of about $36.20 million, a decrease of $1.41 million from the prior year of $37.61 million. Of the $36.20 million, about $19.20 million is unassigned, $5.32 million is designated for capital projects, and $7.18 million was designated for unanticipated emergencies.

Included in the City's major governmental funds, the Housing in Lieu Fee Fund surplus fund balance is $5.13 million, which can be used for affordable housing projects. The fund balance decreased $0.10 million from the prior fiscal year, which reflects $0.13 million of expenditures for an affordable housing project. The Lodging Business Improvement District (LBID) Fund surplus fund balance is $1.21 million, which reflect the full 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 were projected to be collected over a five-year period. The Pier Plaza project was completed in fiscal year 2021. The fund balance improved by $0.92 million to reflect additional LBID assessment revenues and the third payment to the Motor Vehicle Replacement Fund for the interfund loan.

The Capital Project Fund types have a combined net fund balance of $0.05 million, an increase of $0.41 million over fiscal year 2022, 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 $3.55 million in the Capital Projects Funds due to several large capital projects, including the Paving project, the Ocean Boulevard Improvements project, the Chumash and Palisades Parks Improvements project, the City Hall and Corporation Yard project, the Secure Communications Simulcast Radio project, and the Public Safety Facility project.

In addition, the City's non-major governmental funds ended the 2023 fiscal year with a combined fund balance of $2.47 million. Of this amount, $0.90 million 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 $0.11 million, 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 $4.12 million less than final budget amounts. Budget amendments that occurred in revenues during the year included an increase of $2.02 million in General Fund revenues of various categories. Budgeted amendments that occurred in expenditures during the year include an increase of $3.40 million, which included ongoing cost increases to reflect inflationary pressure on costs and for one-time projects.

The largest components of General Fund revenues that came in higher than original estimates include Sales Taxes by $0.91 million, Other Taxes by $0.34 million, Interest Earnings by $0.21 million, Miscellaneous revenues by $0.12 million, and Charges for Services by $0.11 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2022, the City had invested $144.86 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 $1.98 million, or a 1.38 percent increase from the previous year. Note that the City revised the category of some of its business type activities in 2023 compared to 2022. The majority of this reallocation includes reallocating: pipeline/collection system assets to Wastewater Infrastructure and tanks, wells, and system to Water Infrastructure.

Table A-4

Pismo Beach's Capital Assets

(net of depreciation, in millions of dollars)	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022-2023
Land and right of ways	$23.76	$23.76	$3.08	$3.08	$26.84	$26.84	-0.01%
Construction in progress	8.74	14.06	3.01	4.90	11.75	18.96	-38.01%
Buildings & Improvements	23.08	26.71	1.80	1.93	24.88	28.64	-13.13%
Machinery and equipment	11.84	3.42	8.14	10.05	19.98	13.47	48.36%
Water Infrastructure	-	-	17.69	11.36	17.69	11.36	55.66%
Wastewater Infrastructure	-	-	35.73	38.09	35.73	38.09	-6.19%
Pier	-	-	8.45	8.44	8.45	8.44	0.06%
Infrastructure-streets	89.99	81.97	-	-	89.99	81.97	9.79%
Accumulated depreciation	(61.11)	(57.48)	(29.35)	(27.41)	(90.46)	(84.89)	6.56%
Total	**$96.31**	**$92.44**	**$48.54**	**$50.44**	**$144.86**	**$142.88**	**1.38%**

This year's major capital asset changes included:

- *Replacement of the Bello Street Bridge for $7.46 million*
- *Completion of the City Hall and Corporate Yard Remodel Project for $2.44 million*
- *Shell Beach Reservoir Project for $1.94 million*
- *Secure Simulcast Radio Communication System Project for $0.73 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 2023, the City has the following long-term debt:

- $3.35 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.
- $6.70 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.
- $3.32 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. The City plans to redeem these bonds in fiscal year 2024.
- The State Revolving Loans had outstanding balances of $3.28 million, which included $1.76 million for the Wastewater Treatment Loan, $0.03 million for the Park/Cypress Interceptor Loan, $0.24 million for the Pismo Oaks Lift Station Loan, and $1.25 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 $0.65 million 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 $0.06 million 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 $10.13 million in fiscal year 2023, with $9.03 million being pension related, $0.96 million OPEB related, and $0.14 million as unamortized loss on refunding.

The City's Deferred Inflows of resources in the Governmental Activities and Business-Type Activities totaled $2.30 million, with $1.43 million pension related, and $0.27 million OPEB related, and $0.59 million leases related.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

For the 2024 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 fiscal year (FY) 2024. These projects could include the Paving project, the Public Safety Facility (pay-as-you-go portion only), Chumash and Palisades Parks improvements, James Way Beautification, Addie Street Parking and Access Improvements, and the Police Department Parking Division 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.

- Using $2.00 million from the General Fund Reserve, which is currently funded 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, 2023

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 50,207,965	$ 26,578,916	$ 76,786,881
Restricted cash and investments	889	-	889
Taxes receivable	3,304,074	-	3,304,074
Accounts receivable, net	248,228	4,869,597	5,117,825
Due from other governments	1,029,010	-	1,029,010
Accrued interest receivable	61,637	62,428	124,065
Leases receivable	136,409	46,210	182,619
Prepayments	68,932	664,741	733,673
Total current assets	55,057,144	32,221,892	87,279,036
Noncurrent assets:			
Claims asset	59,054	-	59,054
Leases receivable	360,165	62,573	422,738
Notes and interest receivable	3,357,770	-	3,357,770
Capital assets:			
Nondepreciable	32,501,245	6,089,851	38,591,096
Depreciable	124,918,042	71,803,467	196,721,509
Less accumulated depreciation	(61,106,894)	(29,349,011)	(90,455,905)
Total capital assets	96,312,393	48,544,307	144,856,700
Total noncurrent assets	100,089,382	48,606,880	148,696,262
Total assets	155,146,526	80,828,772	235,975,298
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension	7,856,976	1,174,030	9,031,006
Deferred outflows - OPEB	718,744	241,886	960,630
Unamortized loss on refunding	-	137,739	137,739
Total deferred outflows of resources	8,575,720	1,553,655	10,129,375
LIABILITIES			
Current liabilities:			
Accounts payable	4,386,759	842,792	5,229,551
Accrued liabilities	1,617,552	75,778	1,693,330
Deposits	1,096,253	162,296	1,258,549
Accrued interest payable	-	22,587	22,587
Leases - current	45,800	-	45,800
Compensated absences - current	155,754	18,185	173,939
Bonds and loans - current portion	322,928	946,084	1,269,012
Total current liabilities	7,625,046	2,067,722	9,692,768
Noncurrent liabilities:			
Lease payable	33,133	-	33,133
Compensated absences	568,988	67,797	636,785
Net pension liability	17,637,289	2,635,457	20,272,746
OPEB liability	311,205	104,733	415,938
Bonds and loans	9,878,236	5,855,278	15,733,514
Total noncurrent liabilities	28,428,851	8,663,265	37,092,116
Total liabilities	36,053,897	10,730,987	46,784,884
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources - pension	1,248,025	186,485	1,434,510
Deferred inflows of resources - OPEB	204,701	68,891	273,592
Deferred inflows of resources - leases	483,941	106,212	590,153
Total deferred inflows of resources	1,936,667	361,588	2,298,255
NET POSITION			
Net investment in capital assets	86,032,296	41,742,945	127,775,241
Restricted for:			
Debt service	113,339	-	113,339
Capital projects	963,300	809,559	1,772,859
Affordable housing	5,133,977	-	5,133,977
Community development	1,365,586	-	1,365,586
Streets	1,238,088	-	1,238,088
Total restricted	8,814,290	809,559	9,623,849
Unrestricted	30,885,096	28,737,348	59,622,444
Total net position	$ 125,731,682	$ 71,289,852	$ 197,021,534

See accompanying Notes to Basic Financial Statements.

City of Pismo Beach

Statement of Activities

For the year ended June 30, 2023

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	$ 8,890,073	$ 4,193,603	$ 564,309	$ -	$ 4,757,912
Public safety:					
Police protection	8,771,472	678,792	212,447	-	891,239
Fire protection	3,151,328	113,223	-	-	113,223
Streets	10,410,327	-	181,102	2,509,781	2,690,883
Community services	2,728,428	455,925	169,633	-	625,558
Public works	3,963,536	1,308,992	-	-	1,308,992
Redevelopment and housing	201,207	261,478	-	-	261,478
Interest on long-term debt	396,449	-	-	-	-
Total governmental activities	38,512,820	7,012,013	1,127,491	2,509,781	10,649,285
Business-type Activities:					
Water	7,821,865	6,960,891	-	104,152	7,065,043
Wastewater	7,217,969	8,640,226	-	-	8,640,226
Pier	270,979	76,983	-	-	76,983
Parking	765,387	2,516,492	-	-	2,516,492
Transit	900	-	-	-	-
Total business-type activities	16,077,100	18,194,592	-	104,152	18,298,744
Total primary government	$ 54,589,920	$ 25,206,605	$ 1,127,491	$ 2,613,933	$ 28,948,029
		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			
		Restatements			
		Beginning of year, as restated			
		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
$ (4,132,161)	$ -	$ (4,132,161)
(7,880,233)	-	(7,880,233)
(3,038,105)	-	(3,038,105)
(7,719,444)	-	(7,719,444)
(2,102,870)	-	(2,102,870)
(2,654,544)	-	(2,654,544)
60,271	-	60,271
(396,449)	-	(396,449)
(27,863,535)	-	(27,863,535)
-	(756,822)	(756,822)
-	1,422,257	1,422,257
-	(193,996)	(193,996)
-	1,751,105	1,751,105
-	(900)	(900)
-	2,221,644	2,221,644
(27,863,535)	2,221,644	(25,641,891)
7,046,442	-	7,046,442
6,074,484	-	6,074,484
-	1,503,806	1,503,806
15,481,136	-	15,481,136
460,378	-	460,378
840,529	-	840,529
564,058	(66,209)	497,849
169,081	-	169,081
30,636,108	1,437,597	32,073,705
497,024	(497,024)	-
31,133,132	940,573	32,073,705
3,269,597	3,162,217	6,431,814
122,462,085	66,175,620	188,637,705
-	1,952,015	1,952,015
122,462,085	68,127,635	190,589,720
$ 125,731,682	$ 71,289,852	$ 197,021,534

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, 2023

	General Fund	Special Revenue Funds: Housing In-Lieu	Special Revenue Funds: Lodging Business Improvement	Capital Projects
ASSETS				
Cash and investments	$ 36,736,109	$ 3,060,025	$ 1,072,790	$ 1,897,323
Cash and investments with fiscal agent	-	-	-	-
Taxes receivable	2,992,418	-	311,656	-
Accounts receivable	238,502	-	-	-
Due from other governments	-	-	-	872,669
Accrued interest receivable	20,192	8,874	8,835	-
Prepayments	68,932	-	-	-
Leases receivable	496,574	-	-	-
Notes and accrued interest receivable	-	3,357,770	-	-
Total assets	$ 40,552,727	$ 6,426,669	$ 1,393,281	$ 2,769,992
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	1,207,338	-	176,877	2,589,326
Accrued liabilities	1,600,527	-	1,743	-
Deposits	991,880	-	-	-
Total liabilities	3,799,745	-	178,620	2,589,326
Deferred Inflows of Resources				
Deferred inflows - leases	483,941	-	-	-
Unavailable revenue	64,948	1,292,692	-	124,297
Total deferred inflows of resources	548,889	1,292,692	-	124,297
Fund Balances:				
Nonspendable	68,932	-	-	-
Restricted for:				
Affordable Housing	-	5,133,977	-	-
Capital Projects	-	-	-	-
Community Business Promotion	-	-	1,214,661	-
Community Development	-	-	-	-
Debt Service	-	-	-	-
Park Development	-	-	-	-
Streets and Highways	-	-	-	-
Committed for:				
Capital Projects	207,733	-	-	-
City Facility Reserve	500,000	-	-	-
Risk Management Reserve	250,000	-	-	-
Assigned for:				
Capital Projects	7,462,980	-	-	56,369
General Fund Reserve	2,000,000	-	-	-
Unassigned:				
General Fund Reserve	5,181,037	-	-	-
Other	20,533,411	-	-	-
Total fund balances	36,204,093	5,133,977	1,214,661	56,369
Total liabilities, deferred inflows of resources and fund balances	$ 40,552,727	$ 6,426,669	$ 1,393,281	$ 2,769,992

See accompanying Notes to Basic Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ 2,580,930	$ 45,347,177
889	889
-	3,304,074
9,726	248,228
156,341	1,029,010
11,112	49,013
-	68,932
-	496,574
-	3,357,770
$ 2,758,998	$ 53,901,667
102,970	4,076,511
-	1,602,270
104,373	1,096,253
207,343	6,775,034
-	483,941
85,159	1,567,096
85,159	2,051,037
-	68,932
-	5,133,977
626,123	626,123
	1,214,661
150,925	150,925
113,339	113,339
337,177	337,177
1,238,088	1,238,088
-	207,733
-	500,000
-	250,000
844	7,520,193
-	2,000,000
-	5,181,037
-	20,533,411
2,466,496	45,075,596
$ 2,758,998	$ 53,901,667

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, 2023

Total Fund Balances - Total Governmental Funds		$ 45,075,596

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	$ 32,501,245	$ -	$ 32,501,245
Depreciable, net	63,811,148	(2,347,693)	61,463,455
Total capital assets	$ 96,312,393	$ (2,347,693)	93,964,700

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. 6,882,919

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. 1,567,096

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	7,856,976	-	7,856,976
Deferred outflows of resources related to OPEB	718,744	-	718,744
Deferred inflows of resources related to pension	(1,248,025)	-	(1,248,025)
Deferred inflows of resources related to OPEB	(204,701)	-	(204,701)

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	$ (155,754)	$ 2,940	$ (152,814)
Long-term debt - due within one year	(368,728)	-	(368,728)
Compensated absences - due in more than one year	(568,988)	9,716	(559,272)
Claims (liability) asset, net	59,054	-	59,054
Long-term debt - due in more than one year	(9,911,369)	-	(9,911,369)
Net pension liability	(17,637,289)	-	(17,637,289)
Net OPEB asset (liability)	(311,205)	-	(311,205)
Total long-term liabilities	$ (28,894,279)	$ 12,656	(28,881,623)

Net Position of Governmental Activities	$ 125,731,682

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, 2023

	General Fund	Special Revenue Funds: Housing In-Lieu	Special Revenue Funds: Lodging Business Improvement	Capital Projects
REVENUES:				
Property taxes	$ 7,046,442	$ -	$ -	$ -
Sales taxes	6,074,484	-	-	-
Transient occupancy taxes	15,481,136	-	-	-
Other taxes	1,260,652	-	-	-
Licenses and permits	1,335,919	-	-	-
Fines and forfeits	41,159	-	-	-
Subventions and grants	325,238	-	-	3,345,681
Investment earnings	568,395	38,293	(6,393)	-
Rental income	203,870	-	-	-
Charges for services	877,156	-	-	-
Special assessments	-	-	2,813,544	-
Miscellaneous	1,514,745	-	-	2,032
Total revenues	34,729,196	38,293	2,807,151	3,347,713
EXPENDITURES:				
Current:				
General government	6,938,659	-	1,559,453	-
Public safety	10,935,530	-	-	-
Highways and streets	1,056,814	-	-	-
Community services	2,300,122	-	-	-
Public works	2,771,208	-	-	-
Housing	-	142,707	-	-
Capital outlay	109,084	-	-	15,107,759
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	24,111,417	142,707	1,559,453	15,107,759
REVENUES OVER (UNDER) EXPENDITURES	10,617,779	(104,414)	1,247,698	(11,760,046)
OTHER FINANCING SOURCES (USES):				
Transfers in	290,000	-	-	12,279,133
Transfers out	(12,377,350)	-	(328,916)	-
Proceeds from long-term debt	61,207	-	-	-
Total other financing sources (uses)	(12,026,143)	-	(328,916)	12,279,133
Net change in fund balances	(1,408,364)	(104,414)	918,782	519,087
FUND BALANCES:				
Beginning of year	37,612,457	5,238,391	295,879	(462,718)
End of year	$ 36,204,093	$ 5,133,977	$ 1,214,661	$ 56,369

See accompanying Notes to Basic Financial Statements.

Nonmajor Governmental Funds	Total Governmental Funds
$ -	$ 7,046,442
-	6,074,484
-	15,481,136
455,268	1,715,920
-	1,335,919
-	41,159
373,181	4,044,100
(63)	600,232
-	203,870
299,757	1,176,913
-	2,813,544
80,583	1,597,360
1,208,726	42,131,079
266,795	8,764,907
-	10,935,530
5,238	1,062,052
6,361	2,306,483
-	2,771,208
58,500	201,207
224,687	15,441,530
311,106	311,106
396,449	396,449
1,269,136	42,190,472
(60,410)	(59,393)
880,466	13,449,599
(948,330)	(13,654,596)
-	61,207
(67,864)	(143,790)
(128,274)	(203,183)
2,594,770	45,278,779
$ 2,466,496	$ 45,075,596

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, 2023

Net Change in Fund Balances - Total Governmental Funds	$	(203,183)
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 $578,515.		6,932,755
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 $421,372.		(3,221,009)
Assets transferred between governmental and proprietary funds are not recorded in the governmental funds. This is the net amount transferred.		220,525
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.		(100,830)
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		353,810
Issuance of long-term debt		(61,207)
Amortization of bonds premium (discount), net		7,383
Changes in actuarially determined claim liabilities for uninsured claims do not provide current financial resources and are not reported in the governmental funds.		(15,536)
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.		2,191,015
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.		(2,366,238)
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.		396,188
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.		(107,022)
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.		(630,444)
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.		(126,610)
Change in Net Position of Governmental Activities	$	3,269,597

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, 2023

	Business-Type Activities			
	Water	Wastewater	Pier	Parking
ASSETS				
Current Assets:				
Cash and investments	$ 8,487,913	$ 11,195,889	$ 14,416	$ 6,853,674
Accounts receivable	3,046,903	1,698,853	534	123,307
Accrued interest receivable	19,150	29,533	-	13,611
Lease receivable	-	-	46,210	-
Prepayments	664,741	-	-	-
Total current assets	12,218,707	12,924,275	61,160	6,990,592
Noncurrent:				
Lease receivable	-	-	62,573	-
Capital assets:				
Land	1,930,563	214,759	33,425	900,646
Construction in progress	89,333	2,909,523	-	11,602
Improvements and buildings	460,697	19,494,847	400,236	1,394,953
Vehicles	-	-	-	-
Infrastructure	17,227,517	16,236,673	-	-
Equipment	3,990,913	3,956,868	-	194,025
Pier	-	-	8,446,738	-
Less accumulated depreciation	(9,894,398)	(18,279,229)	(827,375)	(348,009)
Net capital assets	13,804,625	24,533,441	8,053,024	2,153,217
Total noncurrent assets	13,804,625	24,533,441	8,115,597	2,153,217
Total assets	26,023,332	37,457,716	8,176,757	9,143,809
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows - pension	451,550	614,108	-	108,372
Deferred outflows - OPEB	93,277	126,707	-	21,902
Unamortized loss on refunding	-	137,739	-	-
Total deferred outflows of resources	544,827	878,554	-	130,274
LIABILITIES				
Current liabilities:				
Accounts payable	283,351	523,075	2,685	33,681
Accrued liabilities	30,176	34,583	-	11,019
Deposits	152,696	-	9,600	-
Accrued interest payable	-	22,587	-	-
Compensated absences - current	7,915	8,324	-	1,946
Long-term debt - current portion	-	946,084	-	-
Total current liabilities	474,138	1,534,653	12,285	46,646
Noncurrent liabilities:				
Compensated absences	26,625	31,620	-	9,552
Net pension liability	1,013,637	1,378,547	-	243,273
Net OPEB liability	40,388	54,862	-	9,483
Bonds and loans	-	5,855,278	-	-
Total noncurrent liabilities	1,080,650	7,320,307	-	262,308
Total liabilities	1,554,788	8,854,960	12,285	308,954
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows - pension	71,725	97,546	-	17,214
Deferred inflows - OPEB	26,566	36,087	-	6,238
Leases	-	-	106,212	-
Total deferred inflows of resources	98,291	133,633	106,212	23,452
NET POSITION				
Net investment in capital assets	13,804,625	17,732,079	8,053,024	2,153,217
Restricted for capital projects	244,287	538,114	-	-
Unrestricted	10,866,168	11,077,484	5,236	6,788,460
Total net position	$ 24,915,080	$ 29,347,677	$ 8,058,260	$ 8,941,677

See accompanying Notes to Basic Financial Statements.

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ 27,024	$ 26,578,916	$ 4,860,788
-	4,869,597	-
134	62,428	12,624
-	46,210	-
-	664,741	-
27,158	32,221,892	4,873,412
-	62,573	-
-	3,079,393	-
-	3,010,458	-
-	21,750,733	-
-	-	5,559,555
-	33,464,190	-
-	8,141,806	1,203,152
-	8,446,738	-
-	(29,349,011)	(4,415,014)
-	48,544,307	2,347,693
-	48,606,880	2,347,693
27,158	80,828,772	7,221,105
-	1,174,030	-
-	241,886	-
-	137,739	-
-	1,553,655	-
-	842,792	310,248
-	75,778	15,282
-	162,296	-
-	22,587	-
-	18,185	2,940
-	946,084	-
-	2,067,722	328,470
-	67,797	9,716
-	2,635,457	-
-	104,733	-
-	5,855,278	-
-	8,663,265	9,716
-	10,730,987	338,186
-	186,485	-
-	68,891	-
-	106,212	-
-	361,588	-
-	41,742,945	2,347,693
27,158	809,559	-
-	28,737,348	4,535,226
$ 27,158	$ 71,289,852	$ 6,882,919

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, 2023

	Business-Type Activities			
	Water	Wastewater	Pier	Parking
OPERATING REVENUES:				
Sales of water	$ 5,237,326	$ -	$ -	$ -
Service fees	306,838	5,635,740	76,983	2,514,245
Other agencies	1,413,960	2,870,767	-	-
Miscellaneous	2,767	133,719	-	2,247
Total operating revenues	6,960,891	8,640,226	76,983	2,516,492
OPERATING EXPENSES:				
Salaries and benefits	841,183	1,004,809	-	250,431
Purchased power	148,397	169,659	14,851	825
Services and supplies	3,186,569	4,246,223	71,180	373,488
Customer accounting	51,814	51,814	-	-
Joint operating expenses	3,163,718	52,294	-	-
Depreciation and amortization	423,227	1,511,119	184,948	140,643
Total operating expenses	7,814,908	7,035,918	270,979	765,387
Operating income (loss)	(854,017)	1,604,308	(193,996)	1,751,105
NONOPERATING REVENUES (EXPENSES):				
Property and special taxes	1,503,806	-	-	-
Grant revenues	-	-	-	-
Gain (loss) on disposal of capital assets	(6,957)	-	-	-
Investment earnings	(13,100)	(49,347)	607	(4,239)
Interest expense	-	(182,051)	-	-
Total nonoperating revenues (expenses)	1,483,749	(231,398)	607	(4,239)
Income before contributions and transfers	629,732	1,372,910	(193,389)	1,746,866
CONTRIBUTIONS AND TRANSFERS:				
Transfers in	-	102,208	-	-
Transfers out	(49,575)	(347,858)	-	(201,799)
Capital contributions	104,152	-	-	-
Total contributions and transfers	54,577	(245,650)	-	(201,799)
Change in net position	684,309	1,127,260	(193,389)	1,545,067
NET POSITION:				
Beginning of year	22,308,076	28,191,097	8,251,649	7,396,610
Restatements	1,922,695	29,320	-	-
Beginning of year, as restated	24,230,771	28,220,417	8,251,649	7,396,610
End of year	$ 24,915,080	$ 29,347,677	$ 8,058,260	$ 8,941,677

See accompanying Notes to Basic Financial Statements.

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ -	$ 5,237,326	$ -
-	8,533,806	1,540,485
-	4,284,727	-
-	138,733	-
-	18,194,592	1,540,485
-	2,096,423	393,441
-	333,732	-
-	7,877,460	1,339,061
900	104,528	-
-	3,216,012	-
-	2,259,937	421,372
900	15,888,092	2,153,874
(900)	2,306,500	(613,389)
-	1,503,806	-
-	-	46,000
-	(6,957)	(220,525)
(130)	(66,209)	(40,717)
-	(182,051)	-
(130)	1,248,589	(215,242)
(1,030)	3,555,089	(828,631)
-	102,208	702,021
-	(599,232)	-
-	104,152	-
-	(392,872)	702,021
(1,030)	3,162,217	(126,610)
28,188	66,175,620	7,009,529
-	1,952,015	-
28,188	68,127,635	7,009,529
$ 27,158	$ 71,289,852	$ 6,882,919

See accompanying Notes to Basic Financial Statements.

City of Pismo Beach

Combining Statement of Cash Flows

Proprietary Funds

For the year ended June 30, 2023

	Business-Type Activities			
	Water	Wastewater	Pier	Parking
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 6,868,496	$ 8,053,892	$ 77,237	$ 2,511,608
Receipts from other funds for services	-	-	-	-
Payments to suppliers for goods and services	(7,126,058)	(4,221,081)	(86,882)	(362,504)
Payments to employees for wages and benefits	(865,759)	(1,035,441)	-	(253,111)
Net cash provided by (used in) operating activities	(1,123,321)	2,797,370	(9,645)	1,895,993
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Property and special taxes	1,503,806	-	-	-
Grants from other agencies	-	-	-	-
Advances to other funds	-	-	-	-
Transfers from other funds	-	102,208	-	-
Transfers to other funds	(49,575)	(347,858)	-	(201,799)
Net cash provided by (used in) noncapital financing activities	1,454,231	(245,650)	-	(201,799)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Receipts for leases	15,925	-	-	3,398
Payments on long-term debt principal	-	(930,795)	-	(64,935)
Interest paid on long-term debt	-	(186,005)	-	-
Capital contributions	104,152	-	-	-
Purchase of capital assets	(139,167)	(150,923)	-	(76,715)
Net cash provided by (used in) capital and related financing activities	(19,090)	(1,267,723)	-	(138,252)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest on investments	87,980	115,528	607	109,308
Loss on investments	(131,316)	(188,063)	-	(127,925)
Net cash provided by (used in) investing activities	(43,336)	(72,535)	607	(18,617)
Net cash flows	268,484	1,211,462	(9,038)	1,537,325
CASH AND INVESTMENTS - Beginning of year	8,219,429	9,984,427	23,454	5,316,349
CASH AND INVESTMENTS - End of year	$ 8,487,913	$ 11,195,889	$ 14,416	$ 6,853,674
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ (854,017)	$ 1,604,308	$ (193,996)	$ 1,751,105
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	423,227	1,511,119	184,948	140,643
Accounts receivable	(85,862)	(586,334)	335	(4,884)
Leases receivable	-	-	45,105	-
Prepayments	(664,741)	-	-	-
Deferred outflows of resources - pensions	(189,628)	(257,894)	-	(45,511)
Deferred outflows of resources - OPEB	(33,750)	(45,846)	-	(7,924)
Accounts payable	85,984	295,759	(851)	20,253
Accrued liabilities	3,197	3,150	-	(8,444)
Deposits	(6,533)	-	-	-
Compensated absences	2,881	6,650	-	3,715
Net pension liability	545,814	742,307	-	130,995
Net OPEB liability	56,741	77,076	-	13,323
Deferred inflows of resources - pension	(346,116)	(470,718)	-	(83,068)
Deferred inflows of resources - OPEB	(60,518)	(82,207)	-	(14,210)
Deferred inflows of resources - leases	-	-	(45,186)	-
Net cash provided by (used in) operating activities	$ (1,123,321)	$ 2,797,370	$ (9,645)	$ 1,895,993

See accompanying Notes to Basic Financial Statements.

Nonmajor Enterprise Funds	Totals	Governmental Activities - Internal Service Funds
$ -	$ 17,511,233	$ -
-	-	1,540,485
(900)	(11,797,425)	(1,154,472)
-	(2,154,311)	(390,674)
(900)	3,559,497	(4,661)
-	1,503,806	-
-	-	46,000
-	-	1,077,042
-	102,208	702,021
-	(599,232)	-
-	1,006,782	1,825,063
-	19,323	-
-	(995,730)	-
-	(186,005)	-
-	104,152	-
-	(366,805)	(578,515)
-	(1,425,065)	(578,515)
259	313,682	44,681
(495)	(447,799)	(106,345)
(236)	(134,117)	(61,664)
(1,136)	3,007,097	1,180,223
28,160	23,571,819	3,680,565
$ 27,024	$ 26,578,916	$ 4,860,788
$ (900)	$ 2,306,500	$ (613,389)
-	2,259,937	421,372
-	(676,745)	-
-	45,105	-
-	(664,741)	-
-	(493,033)	-
-	(87,520)	-
-	401,145	184,589
-	(2,097)	5,891
-	(6,533)	-
-	13,246	(3,124)
-	1,419,116	-
-	147,140	-
-	(899,902)	-
-	(156,935)	-
-	(45,186)	-
$ (900)	$ 3,559,497	$ (4,661)

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, 2023

	Custodial Fund San Luis Obispo County Tourism Fund
ASSETS	
Cash and investments	$ 165,828
Accounts receivable	233,669
Total assets	399,497
LIABILITIES	
Due to other governmental agencies	399,499
Total liabilities	399,499
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, 2023

	Custodial Fund San Luis Obispo County Tourism Fund
ADDITIONS:	
Assessments collections for other governments	$ 2,110,269
Total additions	2,110,269
DEDUCTIONS:	
Payments of assessments to other governments	2,110,269
Total deductions	2,110,269
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, 2023, 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 software subscriptions) 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 assets 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 Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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 management's intent to be used for a specific purpose. Per City policy, intent is expressed by the City Manager or Director of Administrative Services to assign amounts to be used.

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

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

The City maintains three reserves as part of their committed fund balance. The General Fund Reserve (GFR), City Facility Reserve (CFR) and Risk Management Reserve (RMR) are established by the City as stabilization arrangements. The GFR policy requires that a minimum balance of 25% of the general fund operating expenditure budget be maintained in any given year and is to be used for emergencies, economic downturns, decreased revenues, capital acquisitions, cash flow needs and emergency opportunities as defined by the policy. As of June 30, 2023 the balance in the GFR was $7,181,037. 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, 2023, 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, 2023, 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. 91, *Conduit debt* – The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement did not apply to the City in the current fiscal year.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* – The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement did not apply to the City in the current fiscal year.

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

F. New Pronouncements, Continued

- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* – This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). In implementing this statement, the City considered all software subscriptions, but none warranted recording a liability in the current fiscal year.

2. CASH AND INVESTMENTS

At June 30, 2023, cash and investments consisted of the following:

Statement of Net Position:		
Cash and Investments	$	76,786,881
Restricted Cash and Investments		889
Statement of Fiduciary Net Position:		
Cash and Cash Equivalents		165,828
Total Cash and Investments	$	76,953,598
Cash	$	14,288,774
Cash Held by Fiscal Agents		889
Investments		62,663,935
Total Cash and Investments	$	76,953,598

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 $27,839,651 at June 30, 2023 and were insured or collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.

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

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.

2. CASH AND INVESTMENTS, Continued

B. Investment Fair Value Measurements, Continued

The following is a summary of the fair value measurements as of June 30, 2023:

	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	$ 13,806,557	$ -	$ 13,806,557	$ -
US Government Agency Obligations	18,462,955	-	18,462,955	-
Municipal Bonds	2,044,950	-	2,044,950	-
Money Market	10,938,710	-	10,938,710	-
Corporate Bonds	3,003,941	-	3,003,941	-
Total Investments by Fair Value Hierarchy	48,257,113	$ -	$ 48,257,113	$ -
Investment Not Subject to Fair Value Hierarchy:				
Local Agency Investment Fund	14,406,822			
Total Investments Not Subject to Fair Value	14,406,822			
Total Investments Measured at Fair Value	$ 62,663,935			

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, 2023, include a portion of the pool funds invested in Structured Notes and Asset-Backed Securities. These investments include the following:

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, 2023, the City had $14,406,822 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities as compared to 1.88% in the previous year. The LAIF fair value factor of 0.984828499 was used to calculate the fair value of the investments in LAIF.

2. CASH AND INVESTMENTS, Continued

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, 2023 maturities were as follows for the City's investments:

Liquidity	Amount
0 to 30 days	$ 26,322,104
FY 2024	6,516,978
FY 2025	8,548,351
FY 2026	7,420,095
FY 2027	8,369,455
FY 2028	5,486,952
Total Investments	$ 62,663,935

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 so that potential losses on individual securities will be minimized. Investment in U.S. Government Agency Obligation represents 29% of the City's investments at June 30, 2023. 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.

2. CASH AND INVESTMENTS, Continued

G. Credit Risk, Continued

At June 30, 2023, credit risk ratings were as follows for the City's investments:

	Rating (S&P)	Fair Value
State Local Agency Investment Fund	Unrated	$ 14,406,822
Negotiable Certificates of Deposit	Unrated	13,806,557
Money Market Funds	Unrated	10,938,710
U.S Treasury Note	Unrated	5,910,720
U.S. Government Agency Obligations	AA+	12,552,235
Municipal Obligations	AA	767,076
Municipal Obligations	AA-	734,180
Municipal Obligations	Unrated*	543,694
U.S. Corporate Bonds	AA+	960,230
U.S. Corporate Bonds	A+	909,453
U.S. Corporate Bonds	A	674,933
U.S. Corporate Bonds	A-	459,325
Total Investment		$ 62,663,935

* 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, 2023, the current principal balance and accrued interest on the note receivable were $1,086,826 and $420,810, 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 is 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, 2023, the current principal balance on the note receivable was $980,154 (current drawdowns) and $419,342 for deferred fees.

In 2021, the City entered into a note receivable agreement with Housing Authority of SLO (a non-profit organization) for a loan in the amount of $1,000,000 for the development of affordable housing. The loan bears no interest. Principal is due and payable in full in 2076. Further, the City entered into an agreement to where the Development Impact Fees 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, 2023, the current principal balance on the note receivable was $0 (no drawdowns) and $443,676 for deferred fees.

4. LEASE RECEIVABLE

In implementing GASB Statement 87, 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 $203,144 from these leases, associated interest, and variable payments.

The following tables are 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, 2023
BDC Lease	$1,548 monthly, increasing by CPI every June.	5/31/2024	0.31%	$ 17,627
Charter	$3,157 monthly, increasing 3% every January	11/30/2026	0.19%	163,806
Edward Jones	$1,861 monthly, increasing annually to $2,095 by 2025	10/31/2030	0.46%	176,376
Vertical Bridge	$2,577 monthly in 2023, increasing by 3% every February	8/23/2027	0.19%	138,765
Total				$ 496,574

Business-Type Activities:

Description	Payment Terms	Lease End	Interest Rate	Receivable as of June 30, 2023
Airstreams	$3,660 monthly increasing to $3,884 in November 2022. Additionally, 2% of gross receipts exceeding monthly base fee.	10/31/2025	0.22%	$ 108,783
Total				$ 108,783

The Pier Fund's primary purpose is to rent out the Pismo Beach Pier to other entities. In the fiscal year ended June 30, 2023, the City recognized $21,193 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
2024	$ 46,210	$ 398	$ 46,608
2025	46,422	186	46,608
2026	16,151	15	16,166
Total	$ 108,783	$ 599	$ 109,382

5. CAPITAL ASSETS

In the fiscal year 2023, the City undertook a comprehensive reevaluation of its capital assets, leading to a reclassification into distinct categories compared to the preceding year. Additionally, the City identified certain assets that align more appropriately with alternative categories and made necessary adjustments, as reflected in the Current Category column.

Governmental Activities		Business-Type Activities	
Prior Category	Current Category	Prior Category	Current Category
Buildings	Buildings & Improvements	Buildings	Buildings & Improvements
Machinery and Equipment	Vehicles & Equipment	Improvements	Buildings & Improvements
Right-to-use asset - Equipment	Right-to-use asset - Equipment	Right-to-use asset - Improvements	Right-to-use asset - Improvements
Vehicles	Vehicles & Equipment	Equipment	Vehicles & Equipment
Improvements	Buildings & Improvements	Lines and Mains	Infrastructure
Infrastructure - Street System	Infrastructure	Pier	Pier

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

	Balance June 30, 2022	Re-classifications	Additions	Transfers/ Deletions	Balance June 30, 2023
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 18,688,795	$ -	$ -	$ -	$ 18,688,795
Right-of-Way - Street System	5,068,528	-	-	-	5,068,528
Construction in Progress	14,063,423	-	5,412,184	(10,731,685)	8,743,922
Total Capital Assets, Not Being Depreciated	37,820,746	-	5,412,184	(10,731,685)	32,501,245
Capital Assets, Being Depreciated					
Buildings & Improvements	20,521,576	117,309	-	2,443,943	23,082,828
Vehicles & Equipment	9,534,179	24,432	2,037,879	109,460	11,705,950
Right-to-use asset - Equipment	75,275	-	61,207	-	136,482
Infrastructure	81,967,445	(141,741)	-	8,167,078	89,992,782
Total Capital Assets, Being Depreciated	112,098,475	-	2,099,086	10,720,481	124,918,042
Accumulated Depreciation and Amortization:					
Buildings & Improvements	(10,559,492)	(117,311)	(773,496)	-	(11,450,299)
Vehicles & Equipment	(6,733,345)	(23,973)	(577,889)	11,204	(7,324,003)
Right-to-use asset - Equipment	(14,999)	-	(43,053)	-	(58,052)
Infrastructure	(40,167,881)	141,284	(2,247,943)	-	(42,274,540)
Total Accumulated Depreciation and Amortization	(57,475,717)	-	(3,642,381)	11,204	(61,106,894)
Total Capital Assets, Being Depreciated, Net	54,622,758	-	(1,543,295)	10,731,685	63,811,148
Net Capital Assets, Governmental Activities	$ 92,443,504	$ -	$ 3,868,889	$ -	$ 96,312,393

5. CAPITAL ASSETS, Continued

	Balance June 30, 2022	Re-classifications	Additions	Transfers/ Deletions	Balance June 30, 2023
Business-type Activities:					
Capital Assets, Not Being Depreciated:					
Land	$ 3,079,393	$ -	$ -	$ -	$ 3,079,393
Construction in Progress	4,900,417	-	46,617	(1,936,576)	3,010,458
Total Capital, Assets, Not Being Depreciated	7,979,810	-	46,617	(1,936,576)	6,089,851
Capital Assets, Being Depreciated:					
Buildings & Improvements	39,511,918	(17,761,185)	-	-	21,750,733
Right-to-use - Improvements	132,736	-	-	(132,736)	-
Vehicles & Equipment	10,045,300	(3,747,445)	-	1,843,951	8,141,806
Infrastructure	11,734,476	21,510,812	320,190	(101,288)	33,464,190
Pier	8,446,738	-	-	-	8,446,738
Total Capital Assets, Being Depreciated	69,871,168	2,182	320,190	1,609,927	71,803,467
Accumulated Depreciation					
Buildings & Improvements	(13,211,902)	6,252,520	(1,629,361)	-	(8,588,743)
Right-to-use - Improvements	(72,402)	-	(60,334)	132,736	-
Vehicles & Equipment	(8,274,512)	3,839,762	(316,893)	186,956	(4,564,687)
Infrastructure	(5,231,265)	(10,094,464)	(84,411)	-	(15,410,140)
Pier	(616,503)	-	(168,938)	-	(785,441)
Total Accumulated Depreciation	(27,406,584)	(2,182)	(2,259,937)	319,692	(29,349,011)
Total Capital Assets, Being Depreciated, Net	42,464,584	-	(1,939,747)	1,929,619	42,454,456
Net Capital Assets, Business-type Activities	$ 50,444,394	$ -	$ (1,893,130)	$ (6,957)	$ 48,544,307

Depreciation expense was charged to functions/programs as follows:

Governmental Activities:	
General Government	$ 453,284
Public Safety	376,563
Streets	1,060,025
Community Services	410,608
Public Works	1,341,901
Total Depreciation - Governmental Activities	$ 3,642,381

5. CAPITAL ASSETS, Continued

Business-Type Activities:	
Water	$ 423,227
Wastewater	1,511,119
Pier	184,948
Parking	140,643
Total Depreciation - Business-type Activities	$ 2,259,937

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, 2023, compensated absences of the internal service fund were $12,656.

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, 2023 was as follows:

	Balance June 30, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Compensated Absences	$ 627,036	$ 168,377	$ (70,671)	$ 724,742	$ 155,754
Leases	60,430	61,207	(42,704)	78,933	45,800
Lease Revenue Bonds	10,359,660	-	(311,106)	10,048,554	322,928
Unamortized Bond Premiums	159,993	-	(7,383)	152,610	-
Total Long-term Debt Governmental Activities	$ 11,207,119	$ 229,584	$ (431,864)	$ 11,004,839	$ 524,482
Business-Type Activities:					
Compensated Absences	$ 72,736	$ 13,246	$ -	$ 85,982	$ 18,185
Leases	64,935	-	(64,935)	-	-
Revenue Refunding Bonds	3,590,000	-	(270,000)	3,320,000	280,000
Unamortized Bond Premium	222,848	-	(20,259)	202,589	-
State Revolving Loans from Direct Borrowings	3,933,084	-	(654,311)	3,278,773	666,084
Total Long-term Debt Business-type Activities	$ 7,883,603	$ 13,246	$ (1,009,505)	$ 6,887,344	$ 964,269

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, 2023, the unamortized premium was $152,610.

At June 30, 2023, future minimum principal and interest payments on the 2017 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	195,000	205,612	400,612
2029-2033	1,105,000	901,663	2,006,663
2034-2038	1,315,000	689,013	2,004,013
2039-2043	1,550,000	454,406	2,004,406
2044-2048	1,830,000	164,500	1,994,500
Total	$ 6,695,000	$ 3,319,094	$10,014,094

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, 2023, future minimum principal and interest payments on the 2017B bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	193,329	111,925	305,254
2029-2033	1,101,002	422,330	1,523,332
2034-2038	1,363,536	154,060	1,517,596
Total	$ 3,353,554	$ 1,215,338	$ 4,568,892

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, 2023, future minimum principal and interest payments on the 2012 bonds were as follows:

Year Ending June 30,	Principal	Interest	Total
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	325,000	64,487	389,487
2029-2033	1,800,000	154,390	1,954,390
Total	$ 3,320,000	$ 580,146	$ 3,900,146

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, 2023, the unamortized premium was $202,589.

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, 2023, principal and interest paid, and total net revenues were $392,863 and $3,115,427, respectively. The remaining balance of principal and interest to be paid on the bonds is $3,900,146.

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, 2023, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 577,458	$ 31,801	$ 609,259
2025	587,870	21,390	609,260
2026	598,469	10,790	609,259
Total	$ 1,763,797	$ 63,981	$ 1,827,778

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, 2023, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
2024	$ 14,107	$ 539	$ 14,646
2025	14,375	272	14,647
Total	$ 28,482	$ 811	$ 29,293

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, 2023, future minimum principal and imputed interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
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	40,436	1,471	41,907
2029	41,164	742	41,906
Total	$ 236,306	$ 15,134	$ 251,440

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, 2023, $2,392,319 had been drawn down. In 2020, $1,050,000 was forgiven.

At June 30, 2023, future minimum principal and interest payments on this loan payable were as follows:

Year Ending June 30,	Principal	Interest	Total
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	39,444	18,681	58,125
2029-2033	207,512	83,117	290,629
2034-2038	225,760	64,868	290,628
2039-2043	245,613	45,015	290,628
2044-2048	267,212	23,416	290,628
2049-2050	113,353	2,899	116,252
Total	$ 1,250,188	$ 319,205	$ 1,569,393

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, 2023, payments made on the loans, and total system net revenues were $723,939 and $3,115,427, respectively. The remaining principal and interest to be paid on the loans is $3,677,904.

6. LONG-TERM DEBT, Continued

F. Leases

At June 30, 2023, the City had long-term leases of office equipment and office space used in the General 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, 2023, the lease liability on the copiers was $38,600. The following is the schedule of annual principal and interest payments on this lease as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	$ 13,161	$ 188	$ 13,349
2025	13,238	112	13,350
2026	12,201	35	12,236
Total	$ 38,600	$ 335	$ 38,935

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, 2023, the lease liability on the postage meter was $6,928. The following is the schedule of annual principal and interest payments on this lease as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
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	$ 6,928	$ 98	$ 7,026

Office Space

In August 2022, the City began a 24-month lease on office space to temporarily move the police department while the City's public safety facility undergoes renovations. Payments are monthly in the amount of $2,600. The interest rate on the lease is 2.02%. At June 30, 2023, the lease liability on the office space was $33,405. The following is the schedule of annual principal and interest payments on this lease as of June 30, 2023:

Year Ending June 30,	Principal	Interest	Total
2024	$ 30,809	$ 391	$ 31,200
2025	2,596	4	2,600
Total	$ 33,405	$ 395	$ 33,800

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 risk 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 City sponsors eight rate plans (three miscellaneous and five safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

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, 2023, 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	0%	0%
Required Employer Contribution Rates	0.00%	0.00%
Final Average Compensation Period	3-Year Average	3-Year Average
Required Unfunded Accrued Liability Payment (UAL)	$144,205	$2,662

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%	13.0%
Required Employer Contribution Rates	23.75%	20.64%	12.8%
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)	$589,350	$8,258	$25,641

	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	12.21%	8.63%	7.47%
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)	$760,149	$30,994	$42,562

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, 2022 were as follows:

	Miscellaneous	Safety	Total
Contributions - Employer	$ 1,713,157	$ 1,606,985	$ 3,320,142

7. PUBLIC EMPLOYEES RETIREMENT PLAN, Continued

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

As of June 30, 2023, 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	$ 10,468,516	$ 9,804,230	$ 20,272,746

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 the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by actuarial valuations as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on 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, 2021 and 2022 were as follows:

	Miscellaneous	Safety	Total
Proportion - June 30, 2021	0.20010%	0.12592%	0.17300%
Proportion - June 30, 2022	0.22372%	0.14268%	0.17551%
Change - Increase/(Decrease)	0.02362%	0.01676%	0.00251%

For the year ended June 30, 2023, the City recognized pension expense of $2,719,812. At June 30, 2023, 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	$ 1,307,761	$ -
Changes in Assumptions	1,072,718	-
Differences Between Expected and Actual Experience	210,228	(140,802)
Differences Between Projected and Actual Investment Earnings	1,917,554	-
Difference Between Employer's Contributions and Proportionate Share of Contributions	-	(215,533)
Change in Employer's Proportion	115,255	(437,598)
Total	$ 4,623,516	$ (793,933)

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	$ 1,210,647	$ -
Changes in Assumptions	988,563	-
Differences Between Expected and Actual Experience	405,761	(106,466)
Differences Between Projected and Actual Investment Earnings	1,548,225	-
Difference Between Employer's Contributions and Proportionate Share of Contributions		(931,249)
Change in Employer's Proportion	674,414	(22,982)
Total	$ 4,827,610	$ (1,060,697)

	Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Made Subsequent to Measurement Date	$ 2,518,408	$ -
Changes in Assumptions	2,061,281	-
Differences Between Expected and Actual Experience	615,989	(247,268)
Differences Between Projected and Actual Investment Earnings	3,465,779	-
Difference Between Employer's Contributions and Proportionate Share of Contributions	-	(1,146,782)
Change in Employer's Proportion *	369,549	(40,460)
Total	$ 9,031,006	$ (1,434,510)

* Totals do not match individual pools due to the netting of deferrals each measurement period.

$2,518,408 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, 2024. 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
2024	$ 1,206,782
2025	1,129,686
2026	624,343
2027	2,117,277

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, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The Mortality Rate Table used was developed based on CalPERS-specific data. The rates incorporate Generational Morality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study that can be found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability as of the measurement date of June 30, 2022 for the Plan was 6.90%, which differs from the discount rate used as of the measurement date of June 30, 2021, of 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 - In determining the long-term expected rate of return, CalPERS took into account both long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

7. PUBLIC EMPLOYEES RETIREMENT PLAN, Continued

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

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

Asset Class	Assumed Asset Allocation	Real Return(1,2)
Global Equity - cap-weighted	30.0%	4.5%
Global Equity - non-cap-weighted	12.0%	3.8%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	100%	

(1) An expected inflation of 2.3% used for this period.
(2) Figures are based on the 2021-22 Asset Liability Management study.

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	5.90%	5.90%	5.90%
Net Pension Liability	$ 16,439,047	$ 15,631,756	$ 32,070,803
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	$ 10,468,516	$ 9,804,230	$ 20,272,746
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	$ 5,556,249	$ 5,041,545	$ 10,597,794

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, 2023, the City reported a payable of $0, for the outstanding amount of contributions to the pension plan for the year ended June 30, 2023.

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, 2023, employee contributions totaled $247,544, and the City recognized pension expense $346,016.

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, 2023.

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 the June 30, 2022 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	108
Inactive employees or beneficiaries currently receiving benefits	43
Inactive employees entitled to, but not yet receiving benefits	37
Total	188

C. Contributions

The annual contribution is based on the actuarially determined contribution. For the measurement period ended June 30, 2022, the City made contributions of $234,000 to the trust, $228,606 cash benefit payments outside the trust, $60,000 in implicit subsidy benefit payments and $1,155 in administrative expenses.

D. Net OPEB Liability/(Asset)

The City's net OPEB liability was measured as of June 30, 2022 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%

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.

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

D. Net OPEB Liability/(Asset), Continued

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	49.0%	4.56%
Fixed Income	23.0%	1.56%
TIPS	5.0%	-0.08%
REITS	20.0%	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.

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, 2022 (Measurement Date June 30, 2021)	$ 4,578,946	$ 4,747,363	$ (168,417)
Changes Recognized for the Measurement Period:			
Service Cost	153,244		153,244
Interest	286,743		286,743
Actual vs. Expected Experience	-		-
Changes in Assumptions	-		-
Contributions - Employer		523,761	(523,761)
Net Investment Income		(665,758)	665,758
Benefit Payments	(288,606)	(288,606)	-
Administration Expense		(2,371)	2,371
Net Changes	151,381	(432,974)	584,355
Balance at June 30, 2023 (Measurement Date June 30, 2022)	$ 4,730,327	$ 4,314,389	$ 415,938

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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, 2022:

	1% Decrease (5.25%)	Current Discount Rate (6.25%)	1% Increase (7.25%)
Net OPEB Liablity/(Asset)	$ 975,387	$ 415,938	$ (50,827)

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, 2022:

	1% Decrease	Current Trend	1% Increase
Net OPEB Liability/(Asset)	$ 66,134	$ 415,938	$ 895,180

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 remaining service lifetime (EARSL) (8.3 years for measurement date June 30, 2022)

8. OTHER POST EMPLOYMENT BENEFITS (OPEB), Continued

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of $143,038. As of the fiscal year ended June 30, 2023, 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	$ -	$ 265,752
Changes in assumptions	77,057	7,840
Net differences between projected and actual earnings on OPEB plan investments	354,052	-
OPEB Contributions subsequent to measurement date	529,521	-
Total	$ 960,630	$ 273,592

The $529,521 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction in the Net OPEB liability in the year ending June 30, 2024. 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
2024	$ 5,905
2025	4,026
2026	(17,385)
2027	143,664
2028	9,265
Thereafter	12,042

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund transfers for the year ended June 30, 2023 were as follows:

	Transfers In					
Transfers Out	**General Fund**	**Capital Projects**	**Non-Major Governmental Funds**	**Wastewater**	**Internal Service Funds**	**Total**
Major Funds:						
General Fund	$ -	$ 11,116,299	$ 605,006	$ 102,208	$ 553,837	$ 12,377,350
Lodging Business Improvement	-	328,916	-	-	-	328,916
Non-Major Governmental Funds	290,000	632,119	-	-	26,211	948,330
Major Enterprise Funds:						
Water	-		-	-	49,575	49,575
Wastewater	-		275,460	-	72,398	347,858
Parking	-	201,799	-	-	-	201,799
Total	$ 290,000	$ 12,279,133	$ 880,466	$ 102,208	$ 702,021	$ 14,253,828

9. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued

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

10. JOINTLY GOVERNED ORGANIZATIONS AND OPERATING AGREEMENTS

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

The City is a participant in the following organizations:

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 power agencies.

B. San Luis Obispo Council of Governments

The San Luis Obispo Council of Governments (SLOCOG) was formed in 1968 through a joint power 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 Authority's debt obligations. The City recorded this payment as operating expenses of $245,918 and $1,455,434 to the District and Water Authority, respectively in its Water Fund.

10. JOINTLY GOVERNED ORGANIZATIONS AND OPERATING AGREEMENTS, Continued

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 payments of $1,443,060 as expenses in its Water Fund in the fiscal year ended June 30, 2023.

F. Central Coast Blue Regional Recycled Water Authority

In October 2022, the City formed the Central Coast Blue Regional Recycled Water Authority (Central Coast Blue) , a joint powers agency, with the cities of Arroyo Grande and Grover Beach. The purpose of Central Coast Blue is to share in the construction and maintenance of a regional recycled water project that will enhance water supply reliability by injecting advanced purified water into the Northern Cities Management Area of the Santa Maria Groundwater Basin (Project). The Project will reduce vulnerability to drought and seawater intrusion by creating a seawater intrusion barrier and supplementing the naturally occurring groundwater. Phase 1 of the Project includes construction of an advanced treatment facility, treatment of secondary treated flows from Pismo Beach's Wastewater Treatment Plant (WWTP), construction of approximately five injection wells and associated transmission lines, and injection of flows from the WWTP. The City is the lead agency of Central Coast Blue and is in charge of the planning, design, and construction oversight and shares the costs of the project with Arroyo Grande and Grover Beach per the cost sharing agreement created in March 2022. In the fiscal year ended June 30, 2023, Arroyo Grande and Grover Beach reimbursed the City $4,284,727 in costs associated with the project.

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.

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, 2023 is summarized as follows:

Estimated liability for reported claims and settlement expenses	$ (41,569)
Assets on Deposit	100,623
Claims Asset (Liability) at June 30, 2023	$ 59,054

11. RISK MANAGEMENT, Continued

A. Self-Insurance, Continued

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

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
Claim payments and related expenditures	(1,635)
Change in estimated claims liability for year ended June 30, 2023	(16,240)
Interest Earnings and change in fair market value	2,339
Claims Asset (Liability) at June 30, 2023	$ 59,054

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, 2023, including encumbrances outstanding at year-end, were as follows:

General Fund	$ 615,186
Enterprise Funds	3,326,141
Internal Service Funds	994,380
Total	$ 4,935,707

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 not recording grant receivables relating to prior year expenses in the Wastewater Fund. The City also recorded a prior period adjustment for interest income which hadn't been allocated to the Wastewater fund in the prior year.

	Net Position, as Previously Reported at June 30, 2022	Prior Period Adjustments: Grant Receivables	Prior Period Adjustments: Interest Income	Net Position, as Restated at June 30, 2022
Enterprise Funds:				
Water	$ 22,308,076	$ 1,952,015	$ (29,320)	$ 24,230,771
Wastewater	28,191,097	-	29,320	28,220,417
Statement of Net Position:				
Business-Type	$ 66,175,620	$ 1,952,015	$ -	$ 68,127,635

14. SUBSEQUENT EVENT

The Pismo Beach Public Financing Authority (City of Pismo Beach, California) redeemed the Series 2012 Wastewater Refunding Revenue Bonds (Wastewater Project of 2004) on November 1, 2023. The City's obligations for the related debt service and continuing disclosure are terminated as a result of the redemption of these bonds.

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Required Supplementary Information Section



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City of Pismo Beach

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

General Fund

For the year ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Property Taxes	$ 6,434,971	$ 7,015,830	$ 7,046,442	$ 30,612
Sales Taxes	4,687,748	5,165,000	6,074,484	909,484
Transient Occupancy Taxes	14,791,000	15,469,449	15,481,136	11,687
Other Taxes	919,895	919,895	1,260,652	340,757
Licenses and Permits	1,256,403	1,256,403	1,335,919	79,516
Fines and Forfeits	51,000	51,000	41,159	(9,841)
Subventions and Grants	76,534	362,932	325,238	(37,694)
Investment Earnings	361,225	361,225	568,395	207,170
Rental Income	179,251	179,251	203,870	24,619
Charges for Services	769,680	769,680	877,156	107,476
Miscellaneous	1,393,094	1,394,999	1,514,745	119,746
Total revenues	30,920,801	32,945,664	34,729,196	1,783,532
EXPENDITURES:				
Current:				
General government:				
City Council	225,545	240,448	181,350	59,098
Administration	464,853	582,565	536,174	46,391
City Clerk	324,862	436,714	400,900	35,814
Human Resources	523,451	644,832	567,225	77,607
Legal	401,500	594,900	582,637	12,263
Conference and visitors bureau	855,158	935,167	802,900	132,267
Finance	1,098,604	1,342,967	1,110,167	232,800
Nondepartmental - other	2,741,071	1,882,690	1,522,728	359,962
Nondepartmental - retiree medical	475,340	475,340	442,669	32,671
Facilities maintenance	747,645	931,907	791,909	139,998
Public safety:				
Police	7,527,247	8,375,289	7,516,001	859,288
Fire	3,412,014	3,488,410	3,091,003	397,407
Weed abatement	26,500	26,500	30,942	(4,442)
Lifeguards	295,446	350,782	297,584	53,198
Public Works:				
Park Maintenance	731,007	902,162	768,812	133,350
Engineering	944,770	1,048,374	939,509	108,865
Planning	1,008,900	1,719,450	1,062,887	656,563
Community services:				
Buildings	1,240,713	1,499,569	1,453,753	45,816
Recreation	680,822	1,057,119	846,369	210,750
Highways and Streets:				
Maintenance and Construction	1,106,776	1,555,454	1,056,814	498,640
Capital Outlay	4,500	142,238	109,084	33,154
Total expenditures	24,836,724	28,232,877	24,111,417	4,121,460
REVENUES OVER (UNDER) EXPENDITURES	6,084,077	4,712,787	10,617,779	5,904,992
OTHER FINANCING SOURCES (USES):				
Transfers in	290,000	290,000	290,000	-
Transfers out	(2,908,379)	(23,214,189)	(12,377,350)	10,836,839
Proceeds from long-term debt	-	-	61,207	61,207
Total other financing sources (uses)	(2,618,379)	(22,924,189)	(12,026,143)	10,898,046
Net change in fund balances	$ 3,465,698	$ (18,211,402)	(1,408,364)	$ 16,803,038
FUND BALANCES:				
Beginning of year			37,612,457	
End of year			$ 36,204,093	

City of Pismo Beach

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

Housing In-Lieu

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 30,000	$ 30,000	$ 38,293	$ 8,293
Charges for services	50,000	50,000	-	(50,000)
Total revenues	80,000	80,000	38,293	(41,707)
EXPENDITURES:				
Current:				
Housing	1,477	2,778,823	142,707	2,636,116
Total expenditures	1,477	2,778,823	142,707	2,636,116
REVENUES OVER (UNDER) EXPENDITURES	78,523	(2,698,823)	(104,414)	2,594,409
Net change in fund balances	$ 78,523	$ (2,698,823)	(104,414)	$ 2,594,409
FUND BALANCES:				
Beginning of year			5,238,391	
End of year			$ 5,133,977	

City of Pismo Beach

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

Lodging Business Improvement

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 3,100	$ 3,100	$ (6,393)	$ (9,493)
Special assessments	2,704,800	2,810,492	2,813,544	3,052
Total revenues	2,707,900	2,813,592	2,807,151	(6,441)
EXPENDITURES:				
Current:				
General government	1,226,531	1,723,172	1,559,453	163,719
Total expenditures	1,226,531	1,723,172	1,559,453	163,719
REVENUES OVER (UNDER) EXPENDITURES	1,481,369	1,090,420	1,247,698	157,278
OTHER FINANCING SOURCES (USES):				
Transfers out	(10,664)	(346,664)	(328,916)	17,748
Total other financing sources (uses)	(10,664)	(346,664)	(328,916)	17,748
Net change in fund balances	$ 1,470,705	$ 743,756	918,782	$ 175,026
FUND BALANCES:				
Beginning of year			295,879	
End of year			$ 1,214,661	

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2023

*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
2023	6/30/2022	0.224%	$ 10,468,516	$ 6,174,597	169.54%	78.19%
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
2023	6/30/2022	0.143%	$ 9,804,230	$ 2,801,236	350.00%	75.53%
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%

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2023

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 (continued)*

		Total Plan				
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
2023	6/30/2022	0.176%	$ 20,272,746	$ 8,975,833	225.86%	76.68%
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, 2023

*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
2023	$ 1,307,761	$ (1,307,761)	$ -	$ 6,152,736	21.25%
2022	$ 1,213,157	$ (1,713,157)	$ (500,000)	$ 6,174,597	27.75%
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
2023	$ 1,210,647	$ (1,210,647)	$ -	$ 2,780,076	43.55%
2022	$ 1,106,985	$ (1,606,985)	$ (500,000)	$ 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%

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2023

*Schedule of Plan Contributions CalPERS Pension Plan Last Ten Years (continued)**

	Total Plan				
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
2023	$ 2,518,408	$ (2,518,408)	$ -	$ 8,932,812	28.19%
2022	$ 2,320,142	$ (3,320,142)	$ (1,000,000)	$ 8,975,833	36.99%
2021	$ 2,106,746	$ (2,106,746)	$ -	$ 7,439,758	28.32%
2020	$ 1,814,133	$ (1,814,133)	$ -	$ 6,996,594	25.93%
2019	$ 2,086,812	$ (2,086,812)	$ -	$ 7,026,637	29.70%
2018	$ 2,166,482	$ (4,166,482)	$ (2,000,000)	$ 6,929,247	60.13%
2017	$ 1,968,359	$ (1,968,359)	$ -	$ 6,477,840	30.39%
2016	$ 1,787,700	$ (1,787,700)	$ -	$ 6,434,919	27.78%
2015	$ 1,402,582	$ (2,402,582)	$ (1,000,000)	$ 6,674,591	36.00%
2014	$ 1,564,164	$ (1,564,164)	$ -	$ 6,481,975	24.13%

* Historical information is required only for measurement periods for which GASB 68 is applicable. Future 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, 2023

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

Measurement Period	2022	2021	2020	2019	2018	2017
Total OPEB Liability						
Service cost	$ 153,244	$ 136,768	$ 133,409	$ 161,389	$ 157,747	$ 153,152
Interest on the total OPEB liability	286,743	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	(288,606)	(281,480)	(259,311)	(257,880)	(242,785)	(257,965)
Net change in the total OPEB liability	151,381	225,759	157,556	(306,736)	207,331	174,926
Total OPEB liability - beginning	4,578,946	4,353,187	4,195,631	4,502,367	4,295,036	4,120,110
Total OPEB liabilty - ending (a)	4,730,327	4,578,946	4,353,187	4,195,631	4,502,367	4,295,036
Plan Fiduciary Net Position						
Contribution - employer	523,761	282,491	586,236	565,740	534,785	537,965
Net investment income	(665,758)	1,023,906	115,313	181,663	183,879	200,453
Benefit payments	(288,606)	(281,480)	(259,311)	(257,880)	(242,785)	(257,965)
Administrative expense	(2,371)	(2,420)	(2,535)	(1,467)	(4,328)	(1,012)
Net change in plan fiduciary net position	(432,974)	1,022,497	439,703	488,056	471,551	479,441
Plan fiduciary net position - beginning	4,747,363	3,724,866	3,285,163	2,797,107	2,325,556	1,846,115
Plan fiduciary net position - ending (b)	4,314,389	4,747,363	3,724,866	3,285,163	2,797,107	2,325,556
Net OPEB Liability(Asset) - ending (a) - (b)	$ 415,938	$ (168,417)	$ 628,321	$ 910,468	$ 1,705,260	$ 1,969,480
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	91.21%	103.68%	85.57%	78.30%	62.13%	54.15%
Covered-employee payroll	$ 8,975,833	$ 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	4.63%	(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, 2023

*Schedule of OPEB Contributions - Last 10 Years**

	2023	2022	2021	2020	2019	2018
Actuarially determined contribution	$ 184,000	$ 227,000	$ 222,000	$ 216,000	$ 307,000	$ 290,000
Contribution in relation to the actuarially determined contribution	(529,521)	(523,761)	(282,491)	(586,236)	(565,740)	(534,785)
Contribution deficiency (excess)	(345,521)	(296,761)	(60,491)	(370,236)	(258,740)	(244,785)
Covered-employee payroll	$ 9,487,449	$ 8,975,833	$ 7,439,757	$ 7,380,250	$ 7,274,214	$ 7,181,151
Contributions as a percentage of covered-employee payroll	5.58%	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 2023 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; 16- year fixed period
Inflation	2.5% per annum
Discount rate	6.25%
Medical trend	Non-Medicare - 6.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Non-Kaiser) - 5.85% for 2022, decreasing to an ultimate rate of 3.75% in 2076 Medicare (Kaiser) - 4.75% for 2022, decreasing to an ultimate rate of 3.75% in 2076
Mortality	CalPERS 1997-2015 Experience Study
Mortality improvement	Post-retirement mortality projected fully generational with Scale MP-2021

City of Pismo Beach
Required Supplementary Information
For the year ended June 30, 2023

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%. In 2023, the discount range decreased to 6.9%

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, 2023

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
ASSETS				
Cash and investments	$ 193,691	$ 413,835	$ 85,096	$ 62,109
Cash and investments with fiscal agent	-	-	-	-
Accounts receivable	-	-	9,657	-
Due from other governments	71,182	-	-	85,159
Accrued interest receivable	1,261	1,935	408	811
Total assets	$ 266,134	$ 415,770	$ 95,161	$ 148,079
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	21,119	-
Deposits	-	-	-	-
Total liabilities	-	-	21,119	-
Fund Balances:				
Restricted	266,134	415,770	74,042	62,920
Assigned	-	-	-	-
Total fund balances	266,134	415,770	74,042	62,920
Total liabilities, deferred inflows of resources and fund balances	$ 266,134	$ 415,770	$ 95,161	$ 148,079

Special Revenue Funds	Capital Project Funds				
Chapman House Estate	Public Facilities	Park Development	Circulation Improvement	Impact Fees	Developer Impact Fees
$ 155,829	$ 840	$ 338,125	$ 554,754	$ 488,530	$ 159,934
-	-	-	-	-	-
69	-	-	-	-	-
-	-	-	-	-	-
278	4	1,610	1,430	2,432	791
$ 156,176	$ 844	$ 339,735	$ 556,184	$ 490,962	$ 160,725
79,293	-	2,558	-	-	-
-	-	-	-	-	104,373
79,293	-	2,558	-	-	104,373
76,883	-	337,177	556,184	490,962	56,352
-	844	-	-	-	-
76,883	844	337,177	556,184	490,962	56,352
$ 156,176	$ 844	$ 339,735	$ 556,184	$ 490,962	$ 160,725

City of Pismo Beach
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	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	$ 15,811	$ -	$ 707	$ 98,758
Cash and investments with fiscal agent	-	889	-	-
Accounts receivable	-	-	-	-
Due from other governments	-	-	-	-
Accrued interest receivable	78	-	4	6
Total assets	$ 15,889	$ 889	$ 711	$ 98,764
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	-	-	-	-
Deposits	-	-	-	-
Total liabilities	-	-	-	-
Fund Balances:				
Restricted	15,889	889	711	98,764
Assigned	-	-	-	-
Total fund balances	15,889	889	711	98,764
Total liabilities, deferred inflows of resources and fund balances	$ 15,889	$ 889	$ 711	$ 98,764

Debt Service Funds	
Reassessment District	Total Nonmajor Governmental Funds
$ 12,911	$ 2,580,930
-	889
-	9,726
-	156,341
64	11,112
$ 12,975	$ 2,758,998
-	102,970
-	104,373
-	207,343
12,975	2,465,652
-	844
12,975	2,466,496
$ 12,975	$ 2,758,998

City of Pismo Beach

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2023

	Special Revenue Funds			
	State Gas Tax	Local Transportation Streets	Public Education Grant	Noncapital Grants
REVENUES:				
Other taxes	$ 415,014	$ -	$ 40,254	$ -
Subventions and grants	-	273,181	-	100,000
Investment earnings	(5,094)	(3,704)	1,386	2,203
Charges for services	-	-	-	-
Miscellaneous	-	2,500	-	-
Total revenues	409,920	271,977	41,640	102,203
EXPENDITURES:				
Current:				
General government	-	-	-	-
Highways and streets	-	5,238	-	-
Community services	-	-	-	-
Housing	-	-	-	-
Capital outlay	-	-	134,090	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	5,238	134,090	-
REVENUES OVER (UNDER) EXPENDITURES	409,920	266,739	(92,450)	102,203
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(205,231)	(168,150)	-	(366,984)
Total other financing sources (uses)	(205,231)	(168,150)	-	(366,984)
Net change in fund balances	204,689	98,589	(92,450)	(264,781)
FUND BALANCES:				
Beginning of year	61,445	317,181	166,492	327,701
End of year	$ 266,134	$ 415,770	$ 74,042	$ 62,920

Special Revenue Funds	Capital Project Funds				
Chapman House Estate	Public Facilities	Park Development	Circulation Improvement	Impact Fees	Developer Impact Fees
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
(1,125)	(5)	(1,610)	8,028	(1,399)	(906)
-	-	148,511	-	151,246	-
12,231	-	-	65,852	-	-
11,106	(5)	146,901	73,880	149,847	(906)
-	-	-	-	266,795	-
-	-	-	-	-	-
-	-	4,943	-	1,418	-
58,500	-	-	-	-	-
81,539	-	9,058	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
140,039	-	14,001	-	268,213	-
(128,933)	(5)	132,900	73,880	(118,366)	(906)
173,389	-	-	-	-	-
-	-	(86,925)	(121,040)	-	-
173,389	-	(86,925)	(121,040)	-	-
44,456	(5)	45,975	(47,160)	(118,366)	(906)
32,427	849	291,202	603,344	609,328	57,258
$ 76,883	$ 844	$ 337,177	$ 556,184	$ 490,962	$ 56,352

City of Pismo Beach

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

For the year ended June 30, 2023

	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	(91)	1,310	(4)	1,021
Charges for services	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	(91)	1,310	(4)	1,021
EXPENDITURES:				
Current:				
General government	-	-	-	-
Highways and streets	-	-	-	-
Community services	-	-	-	-
Housing	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	311,106	-	-
Interest and fiscal charges	-	396,449	-	-
Total expenditures	-	707,555	-	-
REVENUES OVER (UNDER) EXPENDITURES	(91)	(706,245)	(4)	1,021
OTHER FINANCING SOURCES (USES):				
Transfers in	-	707,077	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	707,077	-	-
Net change in fund balances	(91)	832	(4)	1,021
FUND BALANCES:				
Beginning of year	15,980	57	715	97,743
End of year	$ 15,889	$ 889	$ 711	$ 98,764

Debt Service Funds	
Reasssessment District	Total Nonmajor Governmental Funds
$ -	$ 455,268
-	373,181
(73)	(63)
-	299,757
-	80,583
(73)	1,208,726
-	266,795
-	5,238
-	6,361
-	58,500
-	224,687
-	311,106
-	396,449
-	1,269,136
(73)	(60,410)
-	880,466
-	(948,330)
-	(67,864)
(73)	(128,274)
13,048	2,594,770
$ 12,975	$ 2,466,496

City of Pismo Beach

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

Capital Projects

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Subventions and grants	$ -	$ 6,122,213	$ 3,345,681	$ (2,776,532)
Miscellaneous	-	-	2,032	2,032
Total revenues	-	6,122,213	3,347,713	(2,774,500)
EXPENDITURES:				
Current:				
Highways and streets	-	132,641	-	132,641
Capital outlay	1,155,000	43,990,001	15,107,759	28,882,242
Total expenditures	1,155,000	44,122,642	15,107,759	29,014,883
REVENUES OVER (UNDER) EXPENDITURES	(1,155,000)	(38,000,429)	(11,760,046)	26,240,383
OTHER FINANCING SOURCES (USES):				
Transfers in	1,155,000	22,682,759	12,279,133	(10,403,626)
Proceeds from long-term debt	-	17,000,000	-	(17,000,000)
Total other financing sources (uses)	1,155,000	39,682,759	12,279,133	(27,403,626)
Net change in fund balances	$ -	$ 1,682,330	519,087	$ (1,163,243)
FUND BALANCES:				
Beginning of year			(462,718)	
End of year			$ 56,369	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Other taxes	$ 381,389	$ 381,389	$ 415,014	$ 33,625
Investment earnings	1,500	1,500	(5,094)	(6,594)
Total revenues	382,889	382,889	409,920	27,031
OTHER FINANCING SOURCES (USES):				
Transfers out	(140,000)	(205,231)	(205,231)	-
Total other financing sources (uses)	(140,000)	(205,231)	(205,231)	-
Net change in fund balances	$ 242,889	$ 177,658	204,689	$ 27,031
FUND BALANCES:				
Beginning of year			61,445	
End of year			$ 266,134	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Subventions and grants	$ 202,583	$ 202,583	$ 273,181	$ 70,598
Investment earnings	1,400	1,400	(3,704)	(5,104)
Miscellaneous	2,500	2,500	2,500	-
Total revenues	206,483	206,483	271,977	65,494
EXPENDITURES:				
Current:				
Highways and streets	5,173	5,173	5,238	(65)
Total expenditures	5,173	5,173	5,238	(65)
REVENUES OVER (UNDER) EXPENDITURES	201,310	201,310	266,739	65,429
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(468,150)	(168,150)	300,000
Total other financing sources (uses)	-	(468,150)	(168,150)	300,000
Net change in fund balances	$ 201,310	$ (266,840)	98,589	$ 365,429
FUND BALANCES:				
Beginning of year			317,181	
End of year			$ 415,770	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Other taxes	$ 37,000	$ 37,000	$ 40,254	$ 3,254
Investment earnings	-	-	1,386	1,386
Total revenues	37,000	37,000	41,640	4,640
EXPENDITURES:				
Current:				
General government	10,000	10,000	-	10,000
Capital outlay	-	161,978	134,090	27,888
Total expenditures	10,000	171,978	134,090	37,888
REVENUES OVER (UNDER) EXPENDITURES	27,000	(134,978)	(92,450)	42,528
Net change in fund balances	$ 27,000	$ (134,978)	(92,450)	$ 42,528
FUND BALANCES:				
Beginning of year			166,492	
End of year			$ 74,042	

City of Pismo Beach

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

Noncapital Grants

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Subventions and grants	$ 150,000	$ 150,000	$ 100,000	$ (50,000)
Investment earnings	3,300	3,300	2,203	(1,097)
Total revenues	153,300	153,300	102,203	(51,097)
OTHER FINANCING SOURCES (USES):				
Transfers out	(150,000)	(454,872)	(366,984)	87,888
Total other financing sources (uses)	(150,000)	(454,872)	(366,984)	87,888
Net change in fund balances	$ 3,300	$ (301,572)	(264,781)	$ 36,791
FUND BALANCES:				
Beginning of year			327,701	
End of year			$ 62,920	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (1,125)	$ (1,125)
Miscellaneous	50,000	50,000	12,231	(37,769)
Total revenues	50,000	50,000	11,106	(38,894)
EXPENDITURES:				
Current:				
General government	-	20,000	-	20,000
Housing	72,420	134,299	58,500	75,799
Capital outlay	-	938,209	81,539	856,670
Total expenditures	72,420	1,092,508	140,039	952,469
REVENUES OVER (UNDER) EXPENDITURES	(22,420)	(1,042,508)	(128,933)	913,575
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,055,050	173,389	(881,661)
Total other financing sources (uses)	-	1,055,050	173,389	(881,661)
Net change in fund balances	$ (22,420)	$ 12,542	44,456	$ 31,914
FUND BALANCES:				
Beginning of year			32,427	
End of year			$ 76,883	

City of Pismo Beach

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

Public Facilities

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (5)	$ (5)
Total revenues	-	-	(5)	(5)
Net change in fund balances	$ -	$ -	(5)	$ (5)
FUND BALANCES:				
Beginning of year			849	
End of year			$ 844	

City of Pismo Beach

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

Park Development

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 3,200	$ 3,200	$ (1,610)	$ (4,810)
Charges for services	30,000	30,000	148,511	118,511
Total revenues	33,200	33,200	146,901	113,701
EXPENDITURES:				
Current:				
Community services	4,943	4,943	4,943	-
Capital outlay	-	154,087	9,058	145,029
Total expenditures	4,943	159,030	14,001	145,029
REVENUES OVER (UNDER) EXPENDITURES	28,257	(125,830)	132,900	258,730
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(86,925)	(86,925)	-
Total other financing sources (uses)	-	(86,925)	(86,925)	-
Net change in fund balances	$ 28,257	$ (212,755)	45,975	$ 258,730
FUND BALANCES:				
Beginning of year			291,202	
End of year			$ 337,177	

City of Pismo Beach

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

Circulation Improvement

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 6,700	$ 6,700	$ 8,028	$ 1,328
Miscellaneous	-	-	65,852	65,852
Total revenues	6,700	6,700	73,880	67,180
EXPENDITURES:				
Current:				
General government	-	266,795	-	266,795
Total expenditures	-	266,795	-	266,795
REVENUES OVER (UNDER) EXPENDITURES	6,700	(260,095)	73,880	333,975
OTHER FINANCING SOURCES (USES):				
Transfers out	(211,000)	(211,000)	(121,040)	(89,960)
Total other financing sources (uses)	(211,000)	(211,000)	(121,040)	(89,960)
Net change in fund balances	$ (204,300)	$ (471,095)	(47,160)	$ 244,015
FUND BALANCES:				
Beginning of year			603,344	
End of year			$ 556,184	

City of Pismo Beach

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

Impact Fees

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 16,100	$ 16,100	$ (1,399)	$ (17,499)
Charges for services	-	-	151,246	151,246
Total revenues	16,100	16,100	149,847	133,747
EXPENDITURES:				
Current:				
General government	-	-	266,795	(266,795)
Community services	1,418	1,418	1,418	-
Total expenditures	1,418	1,418	268,213	(266,795)
REVENUES OVER (UNDER) EXPENDITURES	14,682	14,682	(118,366)	(133,048)
Net change in fund balances	$ 14,682	$ 14,682	(118,366)	$ (133,048)
FUND BALANCES:				
Beginning of year			609,328	
End of year			$ 490,962	

City of Pismo Beach

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

Developer Impact Fees

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ 1,000	$ 1,000	$ (906)	$ (1,906)
Total revenues	1,000	1,000	(906)	(1,906)
Net change in fund balances	$ 1,000	$ 1,000	(906)	$ (1,906)
FUND BALANCES:				
Beginning of year			57,258	
End of year			$ 56,352	

City of Pismo Beach

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

Underground Utilities

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (91)	$ (91)
Total revenues	-	-	(91)	(91)
Net change in fund balances	$ -	$ -	(91)	$ (91)
FUND BALANCES:				
Beginning of year			15,980	
End of year			$ 15,889	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ 1,310	$ 1,310
Total revenues	-	-	1,310	1,310
EXPENDITURES:				
Current:				
Debt service:				
Principal	833,711	311,107	311,106	1
Interest and fiscal charges	804,337	396,450	396,449	1
Total expenditures	1,638,048	707,557	707,555	2
REVENUES OVER (UNDER) EXPENDITURES	(1,638,048)	(707,557)	(706,245)	1,312
OTHER FINANCING SOURCES (USES):				
Transfers in	1,668,655	707,555	707,077	(478)
Total other financing sources (uses)	1,668,655	707,555	707,077	(478)
Net change in fund balances	$ 30,607	$ (2)	832	$ 834
FUND BALANCES:				
Beginning of year			57	
End of year			$ 889	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (4)	$ (4)
Total revenues	-	-	(4)	(4)
Net change in fund balances	$ -	$ -	(4)	$ (4)
FUND BALANCES:				
Beginning of year			715	
End of year			$ 711	

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, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ 1,021	$ 1,021
Total revenues	-	-	1,021	1,021
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)	1,021	$ 86,021
FUND BALANCES:				
Beginning of year			97,743	
End of year			$ 98,764	

City of Pismo Beach

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

Reasssessment District

For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive
	Original	Final	Amounts	(Negative)
REVENUES:				
Investment earnings	$ -	$ -	$ (73)	$ (73)
Total revenues	-	-	(73)	(73)
Net change in fund balances	$ -	$ -	(73)	$ (73)
FUND BALANCES:				
Beginning of year			13,048	
End of year			$ 12,975	

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, 2023

	Transit	Totals
ASSETS		
Assets:		
Cash and investments	$ 27,024	$ 27,024
Accrued interest receivable	134	134
Total assets	27,158	27,158
NET POSITION		
Restricted for transit	27,158	27,158
Total net position	$ 27,158	$ 27,158

City of Pismo Beach

Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

For the year ended June 30, 2023

	Transit	Totals
OPERATING EXPENSES:		
Customer accounting	$ 900	$ 900
Total operating expenses	900	900
Operating income (loss)	(900)	(900)
NONOPERATING REVENUES (EXPENSES):		
Investment earnings	(130)	(130)
Total nonoperating revenues (expenses)	(130)	(130)
Change in net position	(1,030)	(1,030)
NET POSITION:		
Beginning of year	28,188	28,188
End of year	$ 27,158	$ 27,158

City of Pismo Beach
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the year ended June 30, 2023

	Transit	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:		
Payments to suppliers for goods and services	$ (900)	$ (900)
Net cash provided by (used in) operating activities	(900)	(900)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest on investments	259	259
Loss on investments	(495)	(495)
Net cash provided by (used in) investing activities	(236)	(236)
Net cash flows	(1,136)	(1,136)
CASH AND INVESTMENTS - Beginning of year	28,160	28,160
CASH AND INVESTMENTS - End of year	$ 27,024	$ 27,024
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	$ (900)	$ (900)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Accounts payable	-	-
Net cash provided by (used in) operating activities	$ (900)	$ (900)

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, 2023

	Technology Service Fund	Motor Vehicle Fund	Totals
ASSETS			
Current Assets:			
Cash and investments	$ 15,261	$ 4,845,527	$ 4,860,788
Accrued interest receivable	35	12,589	12,624
Total current assets	15,296	4,858,116	4,873,412
Noncurrent:			
Vehicles	-	5,559,555	5,559,555
Equipment	205,585	997,567	1,203,152
Less accumulated depreciation	(186,950)	(4,228,064)	(4,415,014)
Net capital assets	18,635	2,329,058	2,347,693
Total noncurrent assets	18,635	2,329,058	2,347,693
Total assets	33,931	7,187,174	7,221,105
LIABILITIES			
Current liabilities:			
Accounts payable	25,061	285,187	310,248
Accrued liabilities	9,982	5,300	15,282
Compensated absences - current	811	2,129	2,940
Total current liabilities	35,854	292,616	328,470
Noncurrent liabilities:			
Compensated absences	2,679	7,037	9,716
Total noncurrent liabilities	2,679	7,037	9,716
Total liabilities	38,533	299,653	338,186
NET POSITION			
Net investment in capital assets	18,635	2,329,058	2,347,693
Unrestricted	(23,237)	4,558,463	4,535,226
Total net position	$ (4,602)	$ 6,887,521	$ 6,882,919

City of Pismo Beach

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

For the year ended June 30, 2023

	Technology Service Fund	Motor Vehicle Fund	Totals
OPERATING REVENUES:			
Service fees	$ 1,021,509	$ 518,976	$ 1,540,485
Total operating revenues	1,021,509	518,976	1,540,485
OPERATING EXPENSES:			
Salaries and benefits	232,641	160,800	393,441
Services and supplies	837,888	501,173	1,339,061
Depreciation and amortization	29,538	391,834	421,372
Total operating expenses	1,100,067	1,053,807	2,153,874
Operating income (loss)	(78,558)	(534,831)	(613,389)
NONOPERATING REVENUES (EXPENSES):			
Grant revenues	-	46,000	46,000
Gain (loss) on disposal of capital assets	-	(220,525)	(220,525)
Investment earnings	1,923	(42,640)	(40,717)
Total nonoperating revenues (expenses)	1,923	(217,165)	(215,242)
Income before contributions and transfers	(76,635)	(751,996)	(828,631)
CONTRIBUTIONS AND TRANSFERS:			
Transfers in	52,976	649,045	702,021
Total contributions and transfers	52,976	649,045	702,021
Change in net position	(23,659)	(102,951)	(126,610)
NET POSITION:			
Beginning of year	19,057	6,990,472	7,009,529
End of year	$ (4,602)	$ 6,887,521	$ 6,882,919

City of Pismo Beach

Combining Statement of Cash Flows

Internal Service Funds

For the year ended June 30, 2023

	Technology Service Fund	Motor Vehicle Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from other funds for services	$ 1,021,509	$ 518,976	1,540,485
Payments to suppliers for goods and services	(890,633)	(263,839)	(1,154,472)
Payments to employees for wages and benefits	(232,750)	(157,924)	(390,674)
Net cash provided by (used in) operating activities	(101,874)	97,213	(4,661)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Receipts from grantors	-	46,000	46,000
Payments from other funds for prior advances	-	1,077,042	1,077,042
Transfers from other funds	52,976	649,045	702,021
Net cash provided by (used in) noncapital financing activities	52,976	1,772,087	1,825,063
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	-	(578,515)	(578,515)
Net cash provided by (used in) capital and related financing activities	-	(578,515)	(578,515)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	323	44,358	44,681
Gain (loss) on investments	1,644	(107,989)	(106,345)
Net cash provided by (used in) investing activities	1,967	(63,631)	(61,664)
Net cash flows	(46,931)	1,227,154	1,180,223
CASH AND INVESTMENTS - Beginning of year	62,192	3,618,373	3,680,565
CASH AND INVESTMENTS - End of year	$ 15,261	$ 4,845,527	$ 4,860,788
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	$ (78,558)	$ (534,831)	$ (613,389)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation and amortization	29,538	391,834	421,372
Accounts payable	(52,745)	237,334	184,589
Accrued liabilities	4,592	1,299	5,891
Compensated absences	(4,701)	1,577	(3,124)
Net cash provided by (used in) operating activities	$ (101,874)	$ 97,213	$ (4,661)

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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

	2014	2015	2016	2017
Governmental activities:				
Net investment in capital assets	$ 40,197,149	$ 39,251,227	$ 40,900,410	$ 42,378,253
Restricted	4,861,886	4,184,820	6,702,558	8,284,649
Unrestricted	18,566,914	10,069,411	14,455,616	10,904,295
Total governmental activities net position	$ 63,625,949	$ 53,505,458	$ 62,058,584	$ 61,567,197
Business-type activities:				
Net investment in capital assets	$ 18,963,130	$ 20,129,677	$ 20,011,697	$ 22,281,718
Restricted	482,957	1,501,066	1,989,793	763,188
Unrestricted	11,634,062	12,561,208	14,105,083	23,790,177
Total business-type activities net position	$ 31,080,149	$ 34,191,951	$ 36,106,573	$ 46,835,083
Primary government (City wide totals):				
Net investment in capital assets	$ 59,160,279	$ 59,380,904	$ 60,912,107	$ 64,659,971
Restricted	5,344,843	5,685,886	8,692,351	9,047,837
Unrestricted	30,200,976	22,630,619	28,560,699	34,694,472
Total primary government net position	$ 94,706,098	$ 87,697,409	$ 98,165,157	$ 108,402,280

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

2018	2019	2020	2021	2022	2023
$ 37,034,179	$ 43,356,000	$ 68,744,732	$ 72,426,707	$ 81,863,421	$ 86,032,296
7,953,098	5,980,066	5,367,307	6,338,982	7,633,122	8,814,290
19,502,567	20,263,916	12,400,117	22,029,274	32,965,542	30,885,096
$ 64,489,844	$ 69,599,982	$ 86,512,156	$ 100,794,963	$ 122,462,085	$ 125,731,682
$ 29,967,919	$ 35,565,718	$ 41,209,062	$ 41,630,914	$ 42,633,527	$ 41,742,945
7,396,315	3,485,309	2,291,691	2,291,691	28,188	809,559
12,917,394	16,783,439	15,707,406	19,162,503	23,513,905	28,737,348
$ 50,281,628	$ 55,834,466	$ 59,208,159	$ 63,085,108	$ 66,175,620	$ 71,289,852
$ 67,002,098	$ 78,921,718	$ 109,953,794	$ 114,057,621	$ 124,496,948	$ 127,775,241
15,349,413	9,465,375	7,658,998	8,630,673	7,661,310	9,623,849
32,419,961	37,047,355	28,107,523	41,191,777	56,479,447	59,622,444
$ 114,771,472	$ 125,434,448	$ 145,720,315	$ 163,880,071	$ 188,637,705	$ 197,021,534

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

	2014	2015	2016	2017
Expenses:				
Governmental activities:				
General government	$ 5,860,017	$ 8,310,400	$ 6,478,517	$ 6,138,982
Police	4,949,673	3,556,827	4,415,960	5,057,206
Fire	2,020,895	2,094,768	2,300,397	2,404,407
Public works	1,870,369	1,752,177	2,191,332	2,165,762
Streets	2,668,703	3,254,806	1,894,967	2,807,486
Community Services	1,983,046	1,848,006	1,730,536	1,575,249
Redevelopment and Housing	500	4,700	5,172	9,779
Interest on long-term debt	151,162	140,806	129,590	149,699
Total governmental activities expenses	19,504,365	20,962,490	19,146,471	20,308,570
Business-type activities:				
Water	4,438,880	4,790,817	5,411,932	5,130,481
Wastewater	3,332,885	2,892,629	3,218,792	3,543,794
Pier	80,406	206,484	74,525	106,954
Parking	326,696	370,458	584,809	412,831
Transit	10,762	8,615	8,915	10,321
Total business-type activities expenses	8,189,629	8,269,003	9,298,973	9,204,381
Total City government expenses	$ 27,693,994	$ 29,231,493	$ 28,445,444	$ 29,512,951
Program Revenues:				
Governmental activities:				
Charges for services:				
General government	$ 1,762,469	$ 1,951,778	$ 1,996,898	$ 2,082,125
Police protection	134,343	114,191	99,422	123,365
Fire protection	48,104	137,922	110,111	73,061
Public works	1,511,764	1,598,614	1,924,604	2,397,389
Streets	33,950	182,728	232,322	163,015
Community Services	838,828	747,979	808,849	438,089
Redevelopment and Housing	66,410	711,956	1,366,649	543,889
Operating grants and contributions	653,736	1,014,648	720,505	494,291
Capital grants and contributions	303,229	231,893	179,020	803,852
Total governmental activities program revenues	5,352,833	6,691,709	7,438,380	7,119,076

2018	2019	2020	2021	2022	2023
$ 8,682,523	$ 7,386,249	$ 8,839,242	$ 7,758,082	$ 7,281,988	$ 8,890,073
5,524,313	6,886,401	7,320,891	6,996,279	6,125,852	8,771,472
2,273,823	2,464,794	2,904,909	2,473,929	2,685,033	3,151,328
3,538,379	4,139,918	4,975,583	4,428,749	4,905,144	3,963,536
758,733	766,752	1,039,932	1,045,069	1,031,050	10,410,327
2,184,612	1,750,512	2,204,009	2,271,402	2,646,685	2,728,428
141,952	148,525	66,287	63,831	75,418	201,207
424,283	437,597	427,879	416,148	410,003	396,449
23,528,618	23,980,748	27,778,732	25,453,489	25,161,173	38,512,820
5,627,557	5,612,129	6,184,516	5,550,098	5,818,024	7,821,865
2,988,446	3,490,726	3,673,374	4,282,686	4,439,748	7,217,969
94,835	178,397	307,658	238,868	252,623	270,979
522,958	682,449	509,680	712,764	703,778	765,387
7,740	2,460	1,714	1,871	857	900
9,241,536	9,966,161	10,676,942	10,786,287	11,215,030	16,077,100
$ 32,770,154	$ 33,946,909	$ 38,455,674	$ 36,239,776	$ 36,376,203	$ 54,589,920
$ 2,141,024	$ 2,537,482	$ 3,180,616	$ 4,140,043	$ 4,652,534	$ 4,193,603
147,488	222,270	134,092	237,362	453,558	678,792
42,794	97,210	40,223	80,291	112,328	113,223
851,257	1,008,830	831,871	1,134,589	1,303,349	1,308,992
7,663	57,936	13,254	2,500	-	
309,107	446,437	382,976	439,627	841,044	455,925
92,635	60,724	277,095	270,998	519,708	261,478
436,647	2,005,434	2,628,176	1,997,917	2,306,843	1,127,491
4,079,117	2,514,943	15,278,174	3,594,786	4,711,140	2,509,781
8,107,732	8,951,266	22,766,477	11,898,113	14,900,504	10,649,285

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

	2014	2015	2016	2017
Business-type activities:				
Charges for services:				
Water	$ 3,920,594	$ 3,817,994	$ 4,709,473	$ 5,448,798
Wastewater	3,848,743	5,065,797	4,633,274	4,765,561
Pier	14,105	14,925	15,904	37,071
Parking	551,567	566,370	644,922	816,689
Transit	8,103	18,016	10,539	15,002
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	-	31,850	-
Total business-type activities programs revenues	8,343,112	9,483,102	10,045,962	11,083,121
Total City government program revenues	$ 13,695,945	$ 16,174,811	$ 17,484,342	$ 18,202,197
Net Revenues (Expenses):				
Governmental activities	$ (14,151,532)	$ (14,270,781)	$ (11,708,091)	$ (13,189,494)
Business-type activities	153,483	1,214,099	746,989	1,878,740
Total City government	$ (13,998,049)	$ (13,056,682)	$ (10,961,102)	$ (11,310,754)
General Revenues and Other Changes in Net Position:				
Governmental activities:				
Taxes:				
Property taxes	$ 4,193,186	$ 4,392,370	$ 4,662,304	$ 5,054,866
Incremental property taxes	-	-	-	-
Sales taxes	4,104,284	4,497,958	4,485,779	4,433,756
Transient occupancy taxes	7,988,237	8,682,119	9,199,947	9,330,651
Other taxes	863,698	890,811	915,610	1,045,733
Investment earnings	142,180	205,281	397,199	168,833
Miscellaneous	-	64,428	74,243	227,618
Transfers	93,422	(696,140)	(71,219)	(7,563,349)
Extraordinary item - RDA	-	-	-	-
Total governmental activities	17,385,007	18,036,827	19,663,863	12,698,108
Business-type activities				
Special Water Taxes	1,717,621	2,672,840	1,266,322	1,286,422
Investment Earnings	-	-	-	-
Gain (Loss) on Sale of Asset	-	-	-	-
Other Revenue	-	-	-	-
Transfers	(93,422)	696,140	71,219	7,563,349
Total business-type activities	1,624,199	3,368,980	1,337,541	8,849,771
Total City government	$ 19,009,206	$ 21,405,807	$ 21,001,404	$ 21,547,879
Change in net position:				
Governmental activities	$ 3,233,475	$ 3,766,046	$ 7,955,772	$ (491,386)
Business-type activities	1,777,682	4,583,079	2,084,530	10,728,511
Total City government	$ 5,011,157	$ 8,349,125	$ 10,040,302	$ 10,237,125

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

2018	2019	2020	2021	2022	2023
$ 4,849,034	$ 4,382,106	$ 4,729,724	$ 5,360,590	$ 5,962,637	$ 6,960,891
5,047,984	5,121,062	5,020,653	5,478,360	6,070,939	8,640,226
24,045	12,938	3,300	44,469	82,842	76,983
763,416	1,142,142	968,246	2,655,833	2,804,978	2,516,492
10,000	-	-	10,000	-	
-	-	-		-	
-	432,811	-		49,058	104,152
10,694,479	11,091,059	10,721,923	13,549,252	14,970,454	18,298,744
$ 18,802,211	$ 20,042,325	$ 33,488,400	$ 25,447,365	$ 29,870,958	$ 28,948,029
$ (15,420,886)	$ (15,029,482)	$ (5,012,255)	$ (13,555,376)	$ (10,260,669)	$ (27,863,535)
1,452,943	1,124,898	44,981	2,762,965	3,755,424	2,221,644
$ (13,967,943)	$ (13,904,584)	$ (4,967,274)	$ (10,792,411)	$ (6,505,245)	$ (25,641,891)
$ 5,334,500	$ 5,619,427	$ 5,935,388	$ 6,220,595	$ 6,479,633	$ 7,046,442
		-			
4,689,005	4,815,640	4,537,068	5,408,109	6,127,110	6,074,484
10,039,921	10,498,160	9,395,523	14,209,579	17,010,748	15,481,136
976,359	1,000,717	1,041,314	1,157,391	1,187,324	1,300,907
306,056	994,991	1,091,391	242,216	(728,740)	564,058
37,638	113,048	50,731	373,222	582,137	169,081
(601,476)	(2,902,363)	(126,986)	227,071	1,269,579	497,024
-	-	-	-	-	-
20,782,003	20,139,620	21,924,429	27,838,183	31,927,791	31,133,132
1,320,604	1,362,579	1,398,622	1,425,781	1,482,864	1,503,806
(26,137)	815,787	753,104	(84,726)	(878,197)	(66,209)
240,120	(652,789)				
46,948		1,050,000			
601,476	2,902,363	126,986	(227,071)	(1,269,579)	(497,024)
2,183,011	4,427,940	3,328,712	1,113,984	(664,912)	940,573
$ 22,965,014	$ 24,567,560	$ 25,253,141	$ 28,952,167	$ 31,262,879	$ 32,073,705
$ 5,361,117	$ 5,110,138	$ 16,912,174	$ 14,282,807	$ 21,667,122	$ 3,269,597
3,635,954	5,552,838	3,373,693	3,876,949	3,090,512	3,162,217
$ 8,997,071	$ 10,662,976	$ 20,285,867	$ 18,159,756	$ 24,757,634	$ 6,431,814

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

	2014	2015	2016	2017
General fund:				
Reserved	$ -	$ -	$ -	$ -
Unreserved	-	-	-	-
Nonspendable	88,805	37,096	37,292	43,026
Restricted	-	-	-	-
Committed	9,592,749	8,258,692	13,676,510	13,651,916
Assigned	-	-	-	
Unassigned	4,825,898	7,346,781	5,398,701	7,787,769
Total general fund	14,507,452	15,642,569	19,112,503	21,482,711
All other governmental funds:				
Reserved	-	-	-	-
Unreserved reported in:				
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Nonspendable	1,121,826	1,086,826	1,086,826	-
Restricted	4,201,623	4,184,820	6,702,558	5,766,454
Committed	288,953	895,777	41,923	2,344,205
Assigned	-	-	622,145	255,176
Unassigned	(426,563)	-	-	-
Total all other governmental funds	5,185,839	6,167,423	8,453,452	8,365,835
Total all governmental funds	$ 19,693,291	$ 21,809,992	$ 27,565,955	$ 29,848,546

Notes:

FY 2012-2014 were adjusted in FY 2015 for an error in reporting nonspendable fund balance.

2018	2019	2020	2021	2022	2023
$ -	$ -	$ -			
-	-	-			
41,262	1,155,945	11,021	44,906	50,324	68,932
-	-				-
14,835,873	14,332,834	6,816,529	6,684,881	20,470,928	957,733
403,227	1,114,527	6,209,614	6,687,765	7,834,385	9,462,980
7,170,465	7,763,396	8,405,679	17,110,145	9,256,820	25,714,448
22,450,827	24,366,702	21,442,843	30,527,697	37,612,457	36,204,093
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,953,098	5,980,066	5,367,307	6,338,982	7,518,863	8,814,290
2,065,945	1,059,306	1,233,770	809,178	609,328	-
1,435,396	1,235,290	1,044,500	947,438	849	57,213
-	-	(2,935,590)	(1,349,310)	(462,718)	-
11,454,439	8,274,662	4,709,987	6,746,288	7,666,322	8,871,503
$ 33,905,266	$ 32,641,364	$ 26,152,830	$ 37,273,985	$ 45,278,779	$ 45,075,596

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

	2014	2015	2016	2017
Revenues:				
Taxes	$ 17,136	$ 18,463	$ 19,261	$ 19,763
Licenses and permits	1,355	1,594	1,918	2,423
Fines and forfeits	67	68	56	43
Charges for services	1,168	1,887	2,588	1,318
Special assessments	799	868	920	933
Intergovernmental	927	1,188	940	1,402
Investment earnings & rent	289	393	420	333
Other revenues	1,414	894	959	1,101
Total revenues	23,155	25,355	27,062	27,316
Expenditures:				
General government	5,488	7,795	6,197	6,026
Public safety	6,823	6,693	7,278	7,942
Planning and Public Works	4,160	5,824	4,468	4,746
Recreation				
Capital outlay	436	1,370	2,320	2,570
Debt service:				
Costs of issuance	-	-	-	
Principal	290	300	310	3,040
Interest	152	142	131	160
Total expenditures	17,349	22,124	20,704	24,484
Excess of revenues over (under) expenditures	5,806	3,231	6,358	2,832
Other Financing Sources (Uses)				
Proceeds from borrowing	-	-	-	7,876
Payments to escrow agent	-	-	-	-
Proceeds from Sale of Assets	-	-	-	-
Transfers in	825	3,430	2,240	5,498
Transfers out	(1,099)	(4,544)	(2,842)	(13,923)
Total other financing sources (uses)	(274)	(1,114)	(602)	(549)
Extraordinary item:				
Dissolution of RDA	-	-	-	-
Net change in fund balance	$ 5,532	$ 2,117	$ 5,756	$ 2,283
Debt service as a percentage of noncapital expenditures	2.61%	2.13%	2.40%	14.60%

2018	2019	2020	2021	2022	2023
$ 21,016	$ 21,897	$ 20,871	$ 26,958	$ 31,171	$ 30,318
895	1,042	839	1,137	1,356	1,336
55	68	49	47	49	41
435	638	630	969	1,083	1,177
1,002	1,516	1,878	2,704	3,091	2,814
787	2,470	3,448	5,063	5,254	4,044
474	1,151	1,244	373	(491)	804
1,102	1,671	2,911	1,839	2,338	1,597
25,766	30,453	31,870	39,090	43,851	42,131
8,445	6,912	7,490	6,445	8,604	8,765
8,564	9,038	8,972	8,734	9,901	10,936
4,812	4,691	5,294	5,236	6,134	6,341
2,013	6,997	15,027	6,174	12,113	15,442
86		-			
270	257	272	288	300	311
344	444	434	422	410	396
24,534	28,339	37,489	27,299	37,462	42,190
1,232	2,114	(5,619)	11,791	6,389	(59)
4,062		-			
-		-			
-	3	-			
2,984	5,659	12,215	3,801	8,034	13,450
(4,222)	(9,040)	(13,084)	(4,471)	(7,505)	(13,593)
2,824	(3,378)	(869)	(670)	529	(144)
-	-	-	-	-	-
$ 4,056	$ (1,264)	$ (6,488)	$ 11,121	$ 6,918	$ (203)
2.74%	3.28%	3.14%	3.36%	2.80%	2.65%

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			
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%
2022-2023	4,157,554	56,228	4,213,782	1.00%	10,474,211	40.23%

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
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%
2022-2023	1.00%	0.00%	1.00%	0.0938%	0.0100%	1.1038%

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)

2023				2022			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Vespera Pismo Beach Holdings	$ 79,960	1	1.92%	Pismo Beach Mobile Home Park	$ 47,622	1	1.26%
Pismo Beach Mobile Park	50,455	2	1.21%	Vespera Pismo Beach Holdings LLC	46,603	2	1.24%
Prime Outlets	33,488	3	0.81%	Core Pismo, LLC	44,341	3	1.18%
Pismo Creek RV Resort Inc	28,693	4	0.69%	Prime Outlets at Pismo Beach	32,844	4	0.87%
Core Pismo LLC	27,412	5	0.66%	WM Pismo Beach Holdings LLC	28,142	5	0.75%
SCM Pismo Beach Hotel LLC	25,505	6	0.61%	SCM Pismo Beach Hotel LLC	26,005	6	0.69%
Studio Inn and Suites LLC	21,788	7	0.52%	Studio Inn and Suites	21,379	7	0.57%
Spalding G Wathen Inc	18,859	8	0.45%	Spalding G Wathen Inc	20,005	8	0.53%
Core Cove LLC	17,701	9	0.43%	Pismo Coast Plaza LLC	16,907	9	0.45%
Pismo Coast Plaza LLC	17,245	10	0.41%	Cliffs Resort LLC	16,868	10	0.45%
Total	$ 321,106		7.72%	Total	$ 300,716		7.97%

2021				2020			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Vespera Pismo Beach Holdings LLC	$ 45,522	1	1.21%	Pismo Beach Mobile Home Park	$ 38,221	1	1.07%
Core Pismo, LLC	43,252	2	1.15%	WM Pismo Beach Holdings LLC	37,917	2	1.06%
Pismo Beach Mobile Home Park	42,154	3	1.12%	Core Pismo, LLC	36,293	3	1.02%
Susan Darosa	38,704	4	1.03%	Prime Outlets at Pismo Beach	31,882	4	0.89%
Prime Outlets at Pismo Beach	32,515	5	0.86%	SCM Pismo Beach Hotel LLC	25,264	5	0.71%
SCM Pismo Beach Hotel LLC	25,749	6	0.68%	Pismo Beach Hotel Investments LLC	22,995	6	0.64%
Spalding G Wathen Inc	21,862	7	0.58%	Spalding G Wathen Inc	21,433	7	0.60%
Castleback Pismo Beach Owner LLC	21,169	8	0.56%	Castleback Pismo Beach Owner LLC	17,923	8	0.50%
Pismo Coast Plaza LLC	16,734	9	0.44%	Cliffs Resort LLC	16,919	9	0.47%
Cliffs Resort LLC	16,705	10	0.44%	Pismo Coast Plaza LLC	16,405	10	0.46%
Total	$ 304,366		8.07%	Total	$ 265,252		7.43%

2019				2018			
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Katelynn Nicole Sawyer	$ 34,822	1	1.04%	Pismo Beach Mobile Home Park	$ 33,168	1	1.05%
Prime Outlets of Pismo Beach	31,236	2	0.93%	Prime Outlets of Pismo Beach	30,624	2	0.97%
Core Pismo, LLC	25,627	3	0.77%	Core Pismo, LLC	25,142	3	0.79%
Spalding G. Wathen, Inc.	21,013	4	0.63%	Spalding G. Wathen, Inc.	20,601	4	0.65%
Castleback Pismo Beach	17,589	5	0.53%	Castleback Pismo Beach	17,262	5	0.54%
Cliffs Resort, LLC	16,095	6	0.48%	Cliffs Resort, LLC	16,321	6	0.51%
Pismo Coast Plaza, LLC	16,084	7	0.48%	Heron Crest Development	15,950	7	0.50%
Pismo Shore Cliff, Inc.	15,691	8	0.47%	Pismo Coast Plaza, LLC	15,769	8	0.50%
Heron Crest Development	15,601	9	0.47%	Pismo Shore Cliff, Inc.	15,393	9	0.49%
Henry F. Myers Trust	14,230	10	0.43%	Henry F. Myers Trust	13,951	10	0.44%
Total	$ 207,988		6.21%	Total	$ 204,181		6.44%

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

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

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
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%
2022-2023	6,932,108	6,932,108	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
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
2022-2023	394,220,500	7.75%	1.00%	0.50%	6,074,484

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)

2022

Industry	Retail Sales Generated	Rank	Percentage of Total City Retail Sales Dollars
Restaurants	$ 116,940	1	29.35%
All Other Outlets	90,909	2	22.81%
Other Retail Stores	85,407	3	21.43%
Apparel Stores	70,539	4	17.70%
Service Stations	34,684	5	8.70%
Food Stores	-	6	0.00%
Total	$ 398,479		100.00%

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%

Source: HDL Reports.

Figures are based on Calendar year.

Changed Industry reporting categories in FY2016 to reflect fewer differentiated categories; Food Stores grouped into Other Retail Stores.

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			
2023	**2022**	**2021**	**2020**
7 Eleven	7 Eleven	Arco	Arco
Arco	Arco	Brads Restaurant	Brads Restaurant
Brads Restaurant	Brads Restaurant	California Fresh	California Fresh
California Fresh	California Fresh	Calvin Klein	Calvin Klein
Chevron	Chevron	Carters	Carters
Cliffs at Shell Beach	Cliffs at Shell Beach	Chevron	Chevron
Coach	Coach	Cliffs at Shell Beach	Cliffs at Shell Beach
Cool Cat Café	Cool Cat Café	Coach	Coach
Cracked Crab	Cracked Crab	Cool Cat Café	CVS Pharmacy
CVS Pharmacy	CVS Pharmacy	Cracked Crab	Giuseppes Cucina
Dolphin Bay Lido Restaurant	Dolphin Bay Lido Restaurant	CVS	Levis Outlet
Giuseppes Cucina	Giuseppes Cucina	Giuseppes Cucina	McDonalds
Levis Outlet	Levis Outlet	Hoagies	Miller 76
McDonalds	McDonalds	McDonalds	Nike
Me N Eds Pizzeria and Craft Hou	Millers 76	Millers 76	Panchos Surf Shop
Nike	Nike	Nike	Ralph Lauren
Panchos Surf Shop	Panchos Surf Shop	Panchos Surf Shop	Rite Aid
REC Solar	REC Solar	Ross	Ross
Ross	Ross	Sky River RV	Sky River RV
Sky River RV	Sky River RV	Splash Café	Sky River RV
Splash Café	Splash Café	Spyglass Shell	Splash Café
Spyglass Shell	Spyglass Shell	Teenie Wahine	Spyglass Shell
Ventana Grill	Vans	Vans	Vans
Vista Steak & Seafood	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			
2019	**2018**	**2017**	**2016**
7 Eleven	Arco	Arco	Arco
Arco	Brads Restaurant	Brads Restaurant	Brads Restaurant
California Fresh	California Fresh	California Fresh	California Fresh
Calvin Klein	Calvin Klein	Calvin Klein	Calvin Klein
Chevron	Chevron	Chevron	Cliffs at Shell Beach
Cliffs at Shell Beach	Cliffs at Shell Beach	Cliffs at Shell Beach	Coach
Coach	Coach	Coach	Cool Cat Café
Cracked Crab	Cracked Crab	Cracked Crab	Cracked Crab
Dolphin Bay Lido Restaurant	CVS Pharmacy	CVS Pharmacy	CVS Pharmacy
F Mclintocks Saloon	F Mclintocks Saloon	Dolphin Bay Lido Restaurant	Dolphin Bay Hotel & Lido Rest.
General Electric	Levis Outlet	F Mclintocks Saloon	F Mclintocks Saloon
Giuseppes Cucina	Miller 76	Levis Outlet	Five Cities Chevron
Miller 76	Nike	Miller 76	Giuseppes Cucina
Nike	Orchard Supply Hardware	Nike	Miller 76
Norman Wright Duckworth	Oshkosh B Gosh	Orchard Supply Hardware	Nike Retail
Orchard Supply Hardware	Panchos Surf Shop	Oshkosh B Gosh	Orchard Supply Hardware
Pacific Coast RV	Ralph Lauren	Ralph Lauren	Oshkosh B Gosh
Panchos Surf Shop	Ross	Rite Aid	Ralph Lauren
Ross	Sea Venture Resort	Rosas Ristorante Italiano	Rite Aid
Shell	Sky River RV	Ross	Ross
Sky River RV	Splash Café	Sky River RV	Shell
Splash Café	Spyglass Shell	Splash Café	Sky River RV
Spyglass Shell	Vans	Spyglass Shell	Splash Café
Ventana Grill	Ventana Grill	Ventana Grill	Spyglass Shell
Wooly's Oyster Loft	Wooly's Oyster Loft	Wooly's Oyster Loft	Ventana Grill

Fiscal Year Ended June 30	
2015	**2014**
Arco	Arco
Brads Restaurant	Brads Restaurant
California Fresh	California Fresh
Calvin Klein	Calvin Klein
Cliffs at Shell Beach	Cliffs at Shell Beach
Coach	Coach
Cool Cat Café	Cracked Crab
Cracked Crab	CVS Pharmacy
CVS Pharmacy	Dolphin Bay Hotel & Lido Rest.
Dolphin Bay Hotel & Lido Rest.	McLintocks
F Mclintocks Saloon	Five Cities Chevron
Five Cities Chevron	Giuseppes Cucina
Giuseppes Cucina	Miller 76
Miller 76	Nike Retail
Nike Retail	Orchard Supply Hardware #1
Orchard Supply Hardware	Orchard Supply Hardware #2
Oshkosh B Gosh	Oshkosh B Gosh
Ralph Lauren	Ralph Lauren
Rite Aid	Ross
Ross	Shell
Shell	Sky River RV
Sky River RV	Splash Café
Splash Café	Spyglass Shell
Spyglass Shell	Vans
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
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
2022-2023	140,737,598	11.00%	15,481,136

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	
2013-2014	$ 6,754,657	17	$ 418,059	12
2014-2015	$ 7,260,482	17	$ 558,564	14
2015-2016	$ 7,711,023	17	$ 591,172	13
2016-2017	$ 7,742,190	17	$ 683,153	15
2017-2018	$ 8,376,655	18	$ 662,911	14
2018-2019	$ 8,756,469	18	$ 662,357	14
2019-2020	$ 7,864,308	19	$ 566,758	14
2020-2021	$ 11,511,733	19	$ 935,793	14
2021-2022	$ 14,036,040	20	$ 923,088	14
2022-2023	$ 11,854,164	19	$ 1,751,482	18

	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	
2013-2014	$ 570,224	5	$ 245,297	17
2014-2015	$ 759,673	7	$ 103,400	14
2015-2016	$ 511,432	4	$ 386,320	22
2016-2017	$ 626,374	4	$ 278,934	25
2017-2018	$ 797,455	5	$ 202,901	32
2018-2019	$ 810,687	5	$ 268,647	53
2019-2020	$ 671,690	5	$ 269,855	69
2020-2021	$ 1,171,851	5	$ 557,280	74
2021-2022	$ 1,360,976	5	$ 690,644	80
2022-2023	$ 1,152,246	5	$ 723,747	132

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			
2023	**2022**	**2021**	**2020**
Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach	Cliffs of Shell Beach
Dolphin Bay	Dolphin Bay	Cottage Inn	Cottage Inn
Inn at the Pier	Inn at the Pier	Dolphin Bay	Dolphin Bay Hotel
Kon Tiki Motel	Pismo Coast Village	Inn at the Pier	Inn at the Pier
Oxford Suites	Pismo Lighthouse Suites	Pismo Coast Village	Island Hospitality
Pismo Coast Village	Pismo Shore Cliff	Pismo Lighthouse Suites	Pismo Coast Village
Pismo Shore Cliff	Sandcastle Inn	Pismo Shore Cliff	Pismo Lighthouse Suites
Sandcastle Inn	Seacrest Oceanfront Hotel	Sandcastle Inn	Pismo Shore Cliff
Seacrest Oceanfront Hotel	Spyglass Inn	Seacrest Oceanfront Hotel	Sandcastle Inn
Vespera on Ocean	Vespera on Ocean	Vespera on Ocean	Seacrest Oceanfront Hotel

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

Fiscal Year Ended June 30	
2015	**2014**
Cliffs of Shell Beach	Cliffs of Shell Beach
Dolphin Bay Hotel	Cottage Inn
Island Hospitality	Dolphin Bay Hotel
Kon Tiki Motel	Hilton Garden Inn
Oxford Suites	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 100 Cubic Feet	Monthly Base Rate	Rate Per 100 Cubic Feet*
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	-
2022-2023	19.12	5.58	52.62	-

Source: City of Pismo Beach Financial System Rate Records
*Sewer rate is based on Fixed Rate only.

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					
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
2022-2023	$ 2,615,213	$ 1,957,295	$ 120,199	$ 61,253	$ 146,378	$ 4,900,338
	4,407	697	91	39	55	5,289

Wastewater Revenue Concentration Data

Fiscal Year	Class of Customer: Residential	Other Residential	Hotel/Motel	Commercial	Other	Totals
	Revenue in Dollars and Number of Customers					
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
2022-2023	$ 2,758,361	$ 467,049	$ 788,430	$ 871,219	$ 335,919	$ 5,220,978
	4,335	360	40	281	103	5,119

*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			
2023	**2022**	**2021**	**2020**
Cliffs Shell Beach	Cliffs Shell Beach	Cliffs Shell Beach	Cliffs Shell Beach
Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc	Dolphin Bay Hotel Inc
Oxford Suites Resort	Inn at the Pier	Oxford Suites Resort	Oxford Suites Resort
Pismo Beach Mobile Park Inc	Oxford Suites Resort	Pismo Beach Mobile Park Inc	Pismo Beach Mobile Park Inc
Pismo Coast Village Inc	Pismo Beach Mobile Park Inc	Pismo Coast Village Inc	Pismo Coast Village Inc
Pismo Lighthouse Suites	Pismo Coast Village Inc	Pismo Dunes Resort Mtr #1	Pismo Dunes Resort Mtr #1
SCM Pismo Pier Partners, LLC	Pismo Dunes Resort Mtr #1	Pismo Dunes Resort Mtr #2	Pismo Dunes Resort Mtr #2
Seacrest Resort	Pismo Lighthouse Suites	Pismo Lighthouse Suites	Pismo Lighthouse Suites
Shorecliff Lodge	Seacrest Resort	Seacrest Resort	SCM Pismo Pier Partners, LLC.
VPB Operating CO., LLC	Vespera Resort	Shorecliff Lodge	Shorecliff Lodge

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

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

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

	Governmental Activities			Business-Type Activities			
Fiscal Year	Lease Revenue Bonds	Special Assessment Bonds	Unamortized Bond Premium	Capital Lease Obligations	Lease Revenue Bonds	Unamortized Bond Premium	State of California and Other Loans
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
2022-2023	10,049	-	153	-	3,320	203	3,278

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
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
17,002	3.07%	2,162	7,865	70,377

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				
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
2022-2023	-	10,048,554	152,610	10,201,164	225,765	9,975,399	0.24%	1,297.03

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, 2023

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	$ 84,246,776	6.289%		$ 5,298,280
San Luis Obispo County Pension Obligations	26,295,037	6.289%		1,653,695
Lucia Mar Unified School District Certificates of Participation	14,985,000	18.715%		2,804,443
TOTAL OVERLAPPING DEBT REPAID WITH PROPERTY TAXES				$ 9,756,418
OVERLAPPING TAX AND ASSESSMENT DEBT:				
San Luis Obispo County Flood Control and Water Conservation District, Zone No. 3	5,490,000	33.644%		1,847,056
San Luis Obispo Community College District	156,300,000	6.264%		9,790,632
San Luis Coastal Unified School District	149,359,378	18.715%		27,952,608
Lucia Mar Unified School District	237,661,000	3.619%		8,600,952
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT				$ 48,191,248
CITY DIRECT DEBT - GOVERNMENTAL ONLY:				
City of Pismo Beach General Fund Obligations	10,265,418	100.00%	(2)	$ 10,265,418
TOTAL DIRECT DEBT				**$ 10,265,418**
TOTAL OVERLAPPING DEBT				**$ 57,947,666**
TOTAL DIRECT AND OVERLAPPING DEBT			(3)	**$ 68,213,084**

Ratios to Adjusted Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.14%
Total Direct Debt (City of Pismo Beach)	**0.24%**
Combined Total Debt	1.62%

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
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%
2022-2023	158,024,686	-	0%

Legal Debt Margin Calculation for Fiscal Year 2023		
Assessed value	$	4,213,991,621
Conversion Percentage (25%)		25%
Adjusted Assessed Valuation		1,053,497,905
Debt Limit Percentage (15%)		15%
Debt Limit		158,024,686
Less debt applicable to limit:		
General obligation bonds		-
Total debt applicable to limit		-
Legal debt margin	$	158,024,686
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
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	-	-	-	-	-	-	-
2022-2023	-	-	-	-	-	-	-

State of California Wastewater Construction Loan-WWTP

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2022-2023	8,640,226	-	7,217,969	1,422,257	567,231	42,029	2.33

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
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
2022-2023	8,640,226	-	7,217,969	1,422,257	13,845	802	97.10

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
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
2022-2023	8,640,226	-	7,217,969	1,422,257	36,979	4,927	33.94

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
2022-2023	8,640,226	-	7,217,969	1,422,257	36,256	21,870	24.47

2012 Revenue Bonds

	Wastewater Service Revenues	Capital Impact Fees	Less Operating Expenses	Net Available Revenue	Debt Service		
					Principal	Interest	Coverage
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
2022-2023	8,640,226	-	7,217,969	1,422,257	270,000	122,863	3.62

Note:
Wastewater revenues include service fees only.
Operating expenses exclude depreciation and amortization.

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
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%
2022-2023	7,865	553,515,105	70,377	1.40%

Source:
California Labor Market Info. Data Library as of November of each year.
Per Capita Personal Income based on Census Data.

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, 2023

Employer	Number Employees	Rank	Percentage of Total City Employment
Keller-Williams	107	1	2.82%
City of Pismo Beach	105	2	2.76%
California Fresh Market	100	3	2.63%
Dolphin Bay Resort	100	4	2.63%
US Postal Service	91	5	2.39%
Brad's Restaurant	90	6	2.37%
Sea Venture	80	7	2.11%
Pelican Point Bar & Restaura	75	8	1.97%
Pismo Coast Village	71	9	1.87%
New Life Church	67	10	1.76%
Total	886		23.32%

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

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

Note:
Source: 2023 figures came from Reachcentralcoast.org Business search
Pismo Beach Employement numbers are based on the full-time equivalent data found on schedule 16
Prior to 2023 information was from a mix of state reports and City Employee by Telephone Polls to businesses

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

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	1.70	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	2.00
Public safety:										
Police	34.00	34.00	33.85	33.85	33.70	33.70	33.70	33.70	36.70	38.00
Parking	-	-	0.15	0.15	1.30	1.30	1.30	1.30	1.30	2.00
Community Development:										
Planning	4.60	4.60	4.60	4.60	4.55	4.55	4.55	4.55	3.70	4.70
Building	4.10	4.10	4.15	4.15	3.15	3.15	3.15	3.15	3.25	4.25
Recreation	1.20	1.20	1.20	1.20	1.15	1.15	1.15	1.15	1.30	2.30
Parking	1.10	1.10	1.05	1.05	0.15	0.15	0.15	0.15	0.05	0.05
Public Works/Engineering:										
Engineering	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60	3.60
Streets and Govt Bldgs	3.03	3.03	2.83	2.83	3.78	3.78	3.03	3.03	3.03	3.03
Park Maintenance/Fac.	7.32	7.32	7.17	7.17	7.27	7.27	8.02	9.02	11.02	11.02
Water:										
Treatment and distribution	5.00	5.00	6.70	6.70	5.65	5.65	5.65	5.65	5.65	5.65
Billing	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Wastewater:										
Collection and treatment	8.10	8.10	7.80	7.80	7.80	7.80	7.80	7.80	7.80	7.80
Billing	0.50	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	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Totals	94.00	94.00	95.00	95.00	94.00	94.00	94.00	95.00	99.00	105.00

Source: City of Pismo Beach payroll records.

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

Function/Program:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Physical arrest	996	1,116	1,072	1,194	1,235	1,220	1,233	1,742	1,585	1,248
Traffic violations	1,929	1,737	938	996	1,887	2,069	1,609	2,862	1,645	1,675
Fire:										
Emergency responses	1,175	1,265	1,528	1,349	1,355	1,340	1,383	1,460	1,503	1,384
Fires extinguished	16	21	26	22	23	21	24	22	21	19
Building:										
Building permits issued	209	290	205	220	185	185	152	385	451	154
Other permits issued	478	956	551	640	533	472	422	179	384	682
Public works:										
Miles streets resurfaced	-	-	-	2.50	0.50	0.25	0.75	-	-	6.14
Parks and Recreation:										
Number of facility rentals	216	240	258	258	301	352	277	72	205	201
Number of class admissions	2,000	3,000	3,500	3,500	3,500	2,956	2,800	2,000	2,300	2,530
Water:										
Number new connections	5	20	221	67	12	105	120	30	40	21
Daily average water production in MGD	1.91	1.64	1.47	1.43	1.59	1.46	1.50	1.60	1.54	1.32
Daily average water consumption in MGD	1.72	1.52	1.27	1.25	1.48	1.34	1.70	1.93	1.43	1.21
Wastewater:										
Number new connections	33	53	109	62	23	6	120	39	7	20
Daily average treatment in millions gallons(MGD)	1.07	1.01	0.95	0.99	0.98	0.98	0.99	0.95	0.96	0.93

Note:
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:	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	842	842	844	844	909	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	56	56	56	56	56	56	56	56	56	56
Number connections	4,614	4,718	4,787	4,521	4,575	4,680	4,680	4,882	5,011	5,032
Maximum plant capacity in millions gallons	2.16	2.16	2.16	2.40	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	54
Number connections	4,394	4,447	4,562	4,536	4,559	4,565	4,685	4,724	4,731	4,738
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 2022-23

$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)	2023
5/8"	$38.24
3/4"	$38.24
1"	$58.36
1 ½"	$108.01
2"	$168.72
3"	$521.67
4"	$466.19
6"	$1,219.31

BI-MONTHLY RESIDENTIAL
FIXED CONSUMPTION CHARGES[1]

Customer Classification	2023
Single Family	$74.01
Multifamily	$46.72
Mobile Home	$32.38

[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 2022-23

$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	2023
Commercial	$9.06
Dual Residential/Restaurant	$12.78
Dual Residential/Commercial	$8.75
Grocery	$16.22
Hotel	$7.51
Hotel w/ Rest.	$12.19
School w/Cafeteria	$7.47
School	$4.80
Shopping Center	$6.50
Shopping Center w/Restaurant	$15.76
Trailer/RV	$4.06
Service Station	$7.26
Restaurant/Bakery	$16.33
Municipal	$6.31

[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 2022-23

$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 2022-23

	Customer Name	Sewer Revenues	% of Total
1	VPB Operating Co., LLC	$110,963.78	2.12%
2	SCM Pismo Pier Partners, LLC	92,422.08	1.77%
3	Cliffs Shell Beach (Hotel)	72,278.81	1.38%
4	Dolphin Bay Hotel Inc.	56,969.23	1.09%
5	Pismo Beach Mobile Home Park	54,000.41	1.03%
6	Cliffs Shell Beach (Restaurant)	48,599.12	.93%
7	Pismo Coast Village Inc.	47,387.02	.91%
8	Pismo Lighthouse Suites	45,024.18	.86%
9	Pismo Beach Hotel Venture	43,001.05	.82%
10	Seacrest Resort	$40,364.01	.77%
	Total	$611,009.69	11.70%
	Other Customers	$4,612,503.31	88.30%
	Total Revenues	$5,223,513.00	100%

(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 2022-23
GROSS REVENUES	
Charges for Services	$ 5,635,740
Miscellaneous Revenue	3,004,486
Interest and Investment Revenues	(231,398)
TOTAL REVENUES	$ 8,408,828
OPERATING EXPENSES[3]	
Salaries and Benefits	$ 1,004,809
Purchased Power	169,659
Customer Accounting	51,814
Joint operating expenses	52,294
Services and Supplies	4,246,223
TOTAL OPERATING EXPENSES	$ 5,524,799
NET REVENUES	$ 2,884,029
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	$ 392,863
TOTAL DEBT SERVICE PAYMENTS	$ 1,116,802
DEBT SERVICE COVERAGE RATIO	2.58
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$ 1,767,227**

[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 2022-23

$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, 2023. 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 2022-23
$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, 2023. 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 2022-23
$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, 2023. 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 2022-23

Table 1: Ten Largest Customers of Water Enterprise

	Customer Name	Consumption	Water Revenues	% of Total
1	Cliffs Shell Beach	9,474	$ 72,839	1.49%
2	Pismo Coast Village Inc.	9,454	70,062	1.43%
3	VPB Operating Co. LLC	8,956	64,850	1.32%
4	Pismo Beach Mobile Park Inc.	7,821	58,724	1.20%
5	SCM Pismo Pier Partners, LLC	7,549	56,762	1.16%
6	Dolphin Bay Hotel Inc.	7,196	54,701	1.12%
7	Pismo Lighthouse Suites	5,562	44,785	0.91%
8	Oxford Suites Resort	5,290	40,605	0.83%
9	Shorecliff Lodge	5,250	40,471	0.83%
10	Seacrest Resort	5,121	36,498	0.74%
	Total Of Top 10 Users		$ 540,296	11%
	Other Customer		$ 4,360,042	89%
	Total Revenues		$ 4,900,338	100%

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	4,407
Apartments	361
Commercial/Industrial	336
Other	185
Total All Customers	5,289
Water Sales Revenue	$4,900,338

Schedule 22 – Page 2
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2022-23

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

Water Service Rates
Minimum Monthly Service Charge: $19.12
Additional Charge per 100 Cubic Feet of Water Used: $5.58 0-10; $6.36 11-16; $7.29 17-32; $9.76 Over 32
Water Set-up Fee per Account: $60.00
48 Hour Door Hanger Fee: $40.00
Re-connection Fees: During Business Hours: $100.00 After Hours: $237.00

Table 4: Additional information:

Additional Information	
Number for actual water deliveries:	1,470 Acre Feet
Impact Fees/Water Tax:	
Type: Water Tax	Revenue Received: $1,503,806
Type: Impact Fees	Revenue Received: $256,897

Schedule 22 – Page 3
City of Pismo Beach, California
WATER ENTERPRISE FUND
CONTINUING DISCLOSURE INFORMATION
For Fiscal Year 2022-23

CITY OF PISMO BEACH

	Audited
REVENUES	**FY 2022-23**
Water Sales	$5,237,326
Interest	(13,100)
Assessments	1,503,806
Other Revenue	1,723,565
TOTAL REVENUES	$8,451,597
OPERATING EXPENSES	
Administration and General	$ 892,997
Lopez Contract Payments	1,421,458
Operations & Maintenance	3,438,062
Utilities	125,848
TOTAL OPERATING EXPENSES	$5,878,365
NET REVENUES	$2,573,233
State Water Payments	$1,513,316
TOTAL CONTRACT PAYMENTS	$1,513,316
COVERAGE RATIO	1.70
AVAILABLE FOR CAPITAL IMPROVEMENTS AND OTHER PURPOSES	**$1,059,916**