

Annual Comprehensive Financial Report

For the Fiscal Year ended June 30, 2021



Pebble Beach Community Services District

Pebble Beach, California

Cover Photo: Pescadero Point

Pescadero Point, a popular stop along the scenic 17-Mile Drive, features the “Ghost Trees” (named for spooky sun-bleached Cypress trees), and offers spectacular views of the ocean with unique natural surroundings.

Photo Credit: Nancy Johnson, District Senior Accountant

Pebble Beach Community Services District

Pebble Beach, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2021



**Prepared by:
Finance Department**

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2021
TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION:	
Letter of Transmittal:	
Profile of the District	1
Economic Outlook and Financial Condition	2
Awards and Acknowledgements	4
GFOA Certificate of Achievement for Excellence in Financial Reporting	7
Directory of District Officials	8
Organization Chart	9
FINANCIAL SECTION:	
Independent Auditors' Report	10
Management's Discussion and Analysis	12
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position	22
Statement of Activities	23
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position	24
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	25
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to Statement of Activities	25
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	26
Proprietary Funds:	
Statement of Net Position	27
Statement of Revenues, Expenses, and Changes in Net Position	28
Statement of Cash Flows	29
Notes to the Financial Statements	30-58
Required Supplementary Information:	
Schedule of Proportionate Share of Net Pension Liability/(Asset) and Related Notes to the Schedule	59
Schedule of Contributions and Related Notes to the Schedule	60
Supplementary Information:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual - Governmental Capital Outlay Fund	61

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
Year Ended June 30, 2021
TABLE OF CONTENTS

	<u>PAGE</u>
STATISTICAL SECTION (Unaudited):	
Narrative	62
Financial Trends Information:	
Net Position by Component	63
Changes in Net Position	64
Fund Balances of Governmental Funds	66
Changes in Fund Balances of Governmental Funds	67
Primary Government Revenue Sources	68
Primary Government Operating Expenses	69
Revenue Capacity Information:	
Assessed Value of Taxable Property - PBCSD	70
General Property Tax Levy and Debt Service Tax Rates for Overlapping Governments within PBCSD	71
Principal Property Taxpayers - County of Monterey	72
Property Tax Levies and Collections	73
Demographic and Economic Information:	
Demographic and Economic Statistics	74
Principal Employment by Industry - Monterey County	75
Operating Information:	
Full-time Equivalent Government Employees by Function/Program	76
Operating Indicators by Function:	
Fire Operations and Prevention	77
Wastewater Operations	78
Recycled Water Production and Usage	79
Supplemental Traffic Enforcement Program Citations	80
Capital Asset Statistics by Function	81
Summary Of Capital Assets	82



Above: Beware the firefighter zombie crawling out of the ground along the zombie run trail.

Right: Unit Chief Reno DiTullio Jr. blazing along the 5K survivor trail.

Annual Emergency Preparedness Fair “Zombie Run”

A collaboration of the District and neighboring Cypress and Carmel Highlands Fire Protection Districts aiming to educate the public on the importance of being prepared for emergencies and natural disasters.



INTRODUCTORY SECTION



Left: Awards given at the end of the event for best dressed team, and winners of the 5K zombie crawl and 2K survivor stroll.



December 3, 2021

Board of Directors
Pebble Beach Community Services District

We are pleased to present the fiscal year ended June 30, 2021 Annual Comprehensive Financial Report for the Pebble Beach Community Services District. The California Government Code requires special districts to publish a complete set of annual audited financial statements prepared in conformity with generally accepted accounting principles (GAAP). This report provides additional information concerning the financial condition and activities of the District above and beyond what is required by State law and GAAP. Management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. A framework of internal controls is implemented by management to provide reasonable assurance of accuracy of the information presented and to protect the District assets.

Hayashi and Wayland, Accounting and Consulting, LLP (Hayashi and Wayland) performed the audit of the District's financial statements for the fiscal year ended June 30, 2021. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. Hayashi and Wayland concluded there was a reasonable basis for rendering an unmodified ("clean") opinion that the District's financial statements for the year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is located at the front of the financial section of this report. A summary of the overview of the District as well as an analysis of operations, which is included in the Management's Discussion and Analysis (MD&A), can be found in the financial section of this report.

PROFILE OF THE DISTRICT

The Pebble Beach Community Services District ("District") was organized on July 1, 1982 under the Community Services District Law (Section 61000et seq, Government Code) by merger of the Pebble Beach Sanitary District and the Monterey County Service Area 42.

Located on the Monterey Peninsula in central California, approximately 120 miles south of San Francisco, the District encompasses approximately eight square miles and serves a full-time residential population of 4,509 (*source: 2010 Decennial Census*). In addition to being a coastal residential community of mainly single-family homes, Pebble Beach is a resort destination and home to world-renowned golf courses. The population increases significantly during special events. The AT&T Pebble Beach Pro-Am Golf Tournament is one of the most popular events on the PGA tour. Pebble Beach Golf Links was the site of the US Open in 1972, 1982, 1992, 2000, 2010, and 2019. The annual Pebble Beach Concours d'Elegance auto show which focuses on classic cars is also a significant event held in Pebble Beach since 1950.

Governance

The District operates under the Board of Directors-Manager form of government. The District's Board of Directors is comprised of five members who are publicly elected for a four-year term with staggered terms replacing either two or three directors at election time. The Board enacts local laws, establishes policies, and adopts the annual budget. The General Manager is appointed by the Board of Directors and is responsible for the daily management of the District. The basic financial statements of the District include all government activities and functions for which the District is financially accountable as defined by the Governmental Accounting Standards Board (GASB).

Services Provided

The services provided under general government and enterprise functions are: fire protection and emergency medical services; wastewater collection, treatment and disposal; garbage collection and disposal; recycled water storage and distribution; supplemental law enforcement and undergrounding of overhead utilities. Detailed information on services provided can be found in the Notes to the financial statements section of this report.

Budgetary Control

Annually in March, the District Board reviews and adopts a 15-year Capital Outlay Program and Financial Plan which collectively provide a long-term roadmap; as well as, a guide in preparation of the annual budget. In April, a preliminary budget is approved by the Board. The budget is balanced with all expenditures supported by available resources. The final budget, including user fees, is normally approved by a resolution in June following a public hearing. The District collects service fees on the property tax rolls. The budget schedule is designed to allow adoption of the charges for fire, sewer, and garbage disposal services prior to the Monterey County Auditor-Controller's August 1 deadline for placing them on property tax statements.

Budgetary controls are established at the individual fund level. The District General Manager is authorized to transfer budgeted amounts between line items and departments within any fund; however, any revisions altering the total expenditures of any fund must be approved by the Board. Monthly financial reports showing the budget, actual expenditures, and revenues by line item are presented to the Board and made available to the public on the District website.

ECONOMIC OUTLOOK AND FINANCIAL CONDITION

The information presented in the financial statements may be best understood when it is considered from the broader perspective of the specific environment within which the District operates.

Local Economy

The local economy in Monterey County is traditionally centered on agribusiness, tourism, government, education, and non-profit sectors. The trade, transportation, and utilities industries are becoming a larger part of the Monterey County economy.

Factors Affecting Financial Condition

Revenues

Property tax is the major revenue source for the District. On two different occasions in the past, the State shifted property tax revenue from enterprise special districts to help with its financial problems. The first shift, which occurred in the fiscal year ending 1994, resulted in a loss of over \$1 million in annual property tax revenue from the District on a permanent basis. Another shift resulted in a loss of an additional \$1.7 million over a two-year period (fiscal years ending 2005 and 2006) for the District. This second shift ended beginning fiscal year 2006-07 with constitutional protection for special districts thereafter. Since then, the Legislative Analyst's Office made one unsuccessful proposal to authorize the counties to receive a portion of the water and wastewater district property taxes in order to finance certain responsibilities transferred to the counties from the State. Although reduced, there may always be the risk of property tax revenue loss for the District. The changes in real estate values also affect the District's property tax revenue. Following the 2008 financial crisis, property values and consequently property tax revenue were relatively flat until fiscal year 2010-11 when property tax revenue decreased due to downward adjustments in property values. Since then, home prices and property tax revenue have steadily increased. Due to the cyclical nature of the real estate market, it is possible the recent expansion may be followed by a slowdown period which could negatively impact the District's annual revenue. On the positive side, Pebble Beach Company (PBC), which owns and operates world-famous resorts and golf courses within the District, has a development plan approved by Monterey County and the California Coastal Commission in 2012. The plan includes 90 new residential lots; additional rooms and new guest-serving facilities at the two resort hotels: The Lodge and the Inn at Spanish Bay; a new hotel of up to 100 rooms near the Spyglass Hill Golf Course; and 24 employee-housing units. These projects, some of which are completed or underway, are expected to result in an increase in the property tax revenue over the upcoming years.

COVID-19 Impact on Revenues

The COVID-19 pandemic continues to impact the economic conditions of local governments across the country in different ways depending on sources of revenues and how and where they are generated. The District's main income source, property tax, is the most stable revenue source in California and less volatile than other types of tax revenue. In addition, Pebble Beach is one of the most desirable places to live in the world and historically has a strong real estate market. Management's review concluded that COVID-19 is not expected to have a material impact on the property tax and user fee (also collected on the property tax rolls) revenue of the District in the next year. Notwithstanding, management is aware that property tax is generally less responsive to economic conditions in the short term and will continuously monitor and assess the impact of COVID-19 while building its reserves to effectively respond to economic swings.

Expenditures

The District provides certain services through contracts with outside agencies. Fire Protection and Emergency Medical Services are provided through a contract with California Department of Forestry and Fire Protection (CAL FIRE). According to the agreement, the District provides fire stations, facilities, vehicles, and equipment and CAL FIRE provides personnel. The District determines the

number of personnel and positions. Payments to CAL FIRE are mainly based on actual costs of personnel salary and benefits plus an administrative fee. The District's costs are expected to be impacted by increases in CAL FIRE pension and other retirement benefit costs in future years.

The District provides sewer treatment services through a contract with the neighboring Carmel Area Wastewater District (CAWD). The District's portion of the CAWD treatment plant operating (O&M) costs are based on the ratio of wastewater flow from the two districts, plus an administration fee which is equal to 7.5% of the plant total O&M expenses. The District also pays one-third of the cost of the treatment plant capital outlays. In April 2014, CAWD updated its Capital Outlay 15-year Master Plan which identified the renewal and replacement needs of the treatment plant. The CAWD Master Plan includes approximately \$30 million in capital projects. The District paid approximately \$6.4 million over the last six fiscal years; and \$4.7 million is expected to be paid in the next three fiscal years. The magnitude of the plant renewal and replacement costs are significantly higher than the amounts included in the District long-term plans prepared in the years prior to the adoption of the CAWD Master Plan. The District has plans to increase capital reserves designated for future treatment plant improvements; as well as, adjust sewer service fees going forward.

Debt Service and Long-Term Obligations

As of June 30, 2021, the District has no debt, a high funded ratio for the employee pension plan, and no liability related to benefits other than pensions (i.e. retiree health benefits). In this regard, the District is in a desirable economic condition.

Internal Control

District management is responsible for establishment and maintenance of the internal control structure to ensure the assets of the District are protected from loss, theft, and misuse; to ensure adequate accounting data is compiled for the preparation of financial statements in conformity with generally accepted accounting principles; and the activities and reporting of the District are in compliance with legal requirements.

Long-Term Financial Plan and Reserve Policies

The District has a 15-year financial plan which includes its reserve policies. The Plan is updated and approved by the Board annually. Using the annual 15-year capital outlay program as a basis, the Plan takes into account the latest factors which may impact the District's economic position, identifies the District's current and estimated future resources for operations and capital outlay requirements, designates reserves and establishes funding levels, and provides a projection of the District's long-term financial position. The Plan is available for review at the District website www.pbcsd.org.

AWARDS AND ACKNOWLEDGEMENTS

Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report for the fiscal year ended June 30, 2020. This was the third consecutive

year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program requirements and we will submit it to GFOA to determine its eligibility for another certificate.

CSDA/SDLF Transparency Certificate of Excellence

In 2019 and 2017, the District was awarded California Special Districts Association (CSDA) Special District Leadership Foundation (SDLF) Transparency Certificate of Excellence. This program promotes transparency in the operations and governance of special districts to the public. To receive the award, a special district needs to implement a variety of administrative and fiscal policies, provide and maintain specific information on its website, and fulfill certain outreach requirements including newsletters and budget summaries. This certificate is valid for two years.

Fire Department Insurance Services Office (ISO) Class 1 Rating

In 2018, the District received a Class 1 rating from ISO following a comprehensive review that evaluated water supply and delivery systems, emergency communications, fire alarm response times, the number and types of fire apparatus, fire station distribution, number of personnel and its training, equipment maintenance records, and the number and distribution of fire hydrants, as well as its maintenance and flow test records. The ISO sets fire department standards that provide benchmarks for operational effectiveness and provides a Public Protection Classification rating for more than 45,000 fire districts nationwide. Less than 1% of the fire departments nationwide are rated as Class 1. The ratings range from the highest rating of 1 through 10.



American Public Works Association (APWA) Monterey Bay Chapter Public Works Project of the Year Award

In January 2020, the District was presented the 2020 Public Works Project of the Year Award by the APWA Monterey Bay Chapter which includes Santa Cruz, Monterey, and San Benito counties for Phase II undergrounding of overhead utilities project. The award was for the District's ongoing undergrounding utilities program, a complex project that coordinates the underground installation of three different utilities: PG&E electrical lines, AT&T telephone, and Comcast communications.

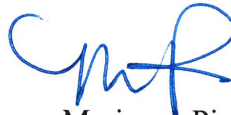
Acknowledgements

This report could not have been prepared without the efficient and dedicated services of the District staff. The Board of Directors provided leadership and support in the planning and implementation of the District's fiscal policies and operations.

Respectfully submitted,



Mike Niccum
General Manager



Marianna Pimentel
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pebble Beach Community Services District
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

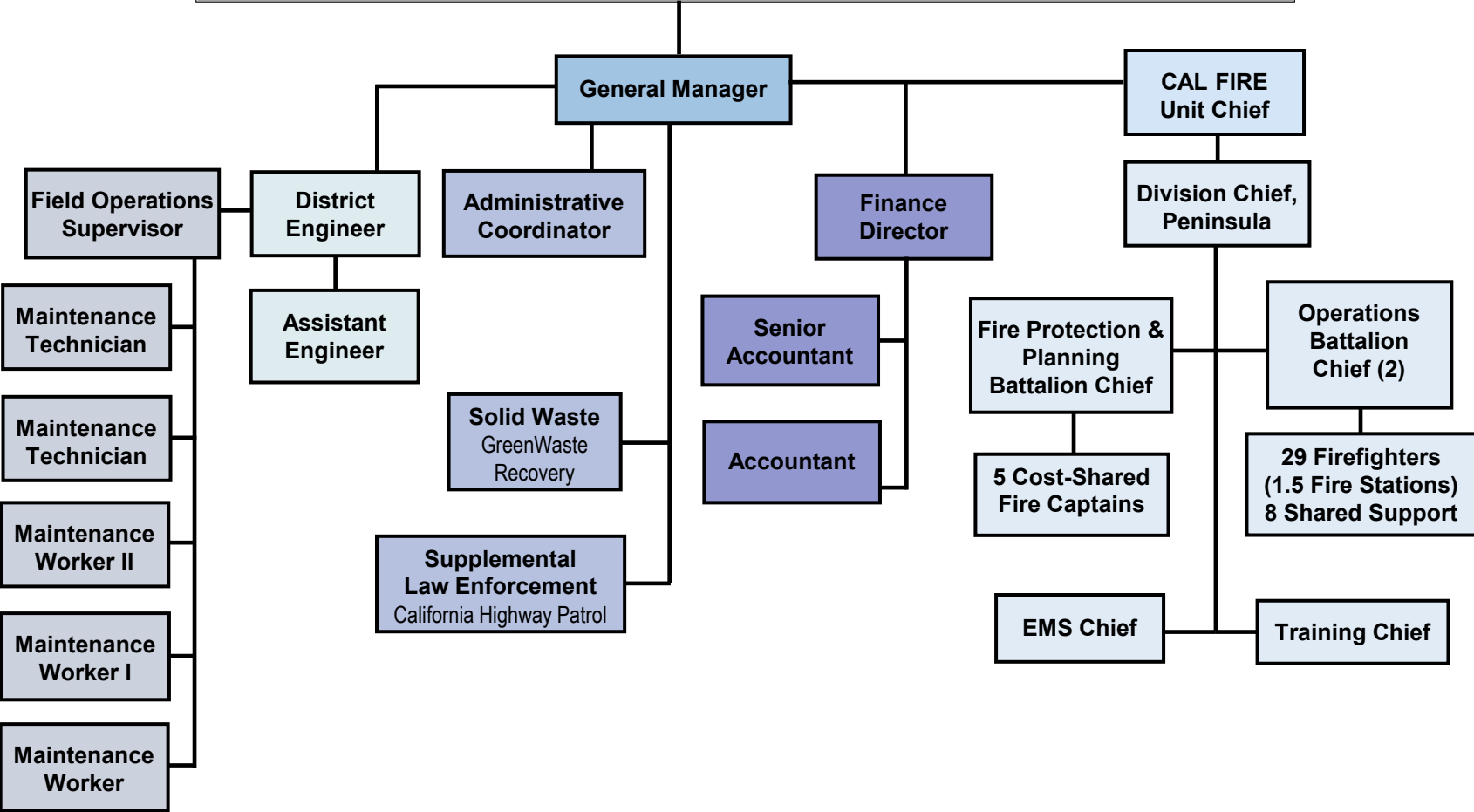
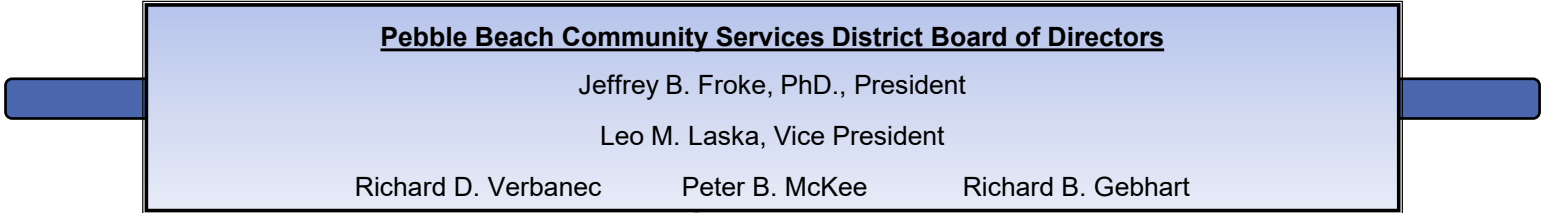
PEBBLE BEACH COMMUNITY SERVICES DISTRICT
DIRECTORY OF DISTRICT OFFICIALS

BOARD OF DIRECTORS
June 30, 2021

Name	Title	Term Expires
Jeffrey B. Froke, Ph.D.	President	December 2022
Leo M. Laska	Vice President	December 2024
Richard B. Gebhart	Director	December 2024
Peter B. McKee	Director	December 2022
Richard D. Verbanec	Director	December 2024

MANAGEMENT STAFF

Mike Niccum	General Manager
Nick Becker	District Engineer
Marianna Pimentel	Finance Director
Kregg Bush	Field Operations Supervisor



Right: Goats and the big dogs that watch over them. Goats can munch on approximately 100 acres of fuel during their three month stay.



FINANCIAL SECTION

Fire Clearance

The District uses a combination of goats, mastication and good old-fashioned hand crews, in its efforts to reduce fire danger within Pebble Beach.



Left: Fire hazard abatement, using masticators.

Hand crews and masticators cleared approximately 125 acres of fire fuel in FY 2020-21.



HAYASHI | WAYLAND

INDEPENDENT AUDITORS' REPORT

**To the Board of Directors
Pebble Beach Community Services District
Pebble Beach, California**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of *Pebble Beach Community Services District*, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of ***Pebble Beach Community Services District***, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

The budgetary comparison schedule for the Capital Fund is the responsibility of management and was derived from and relates 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 budgetary comparison schedule for the Capital Fund is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Salinas, CA

December 3, 2021

Hayashi Wayland, LLP





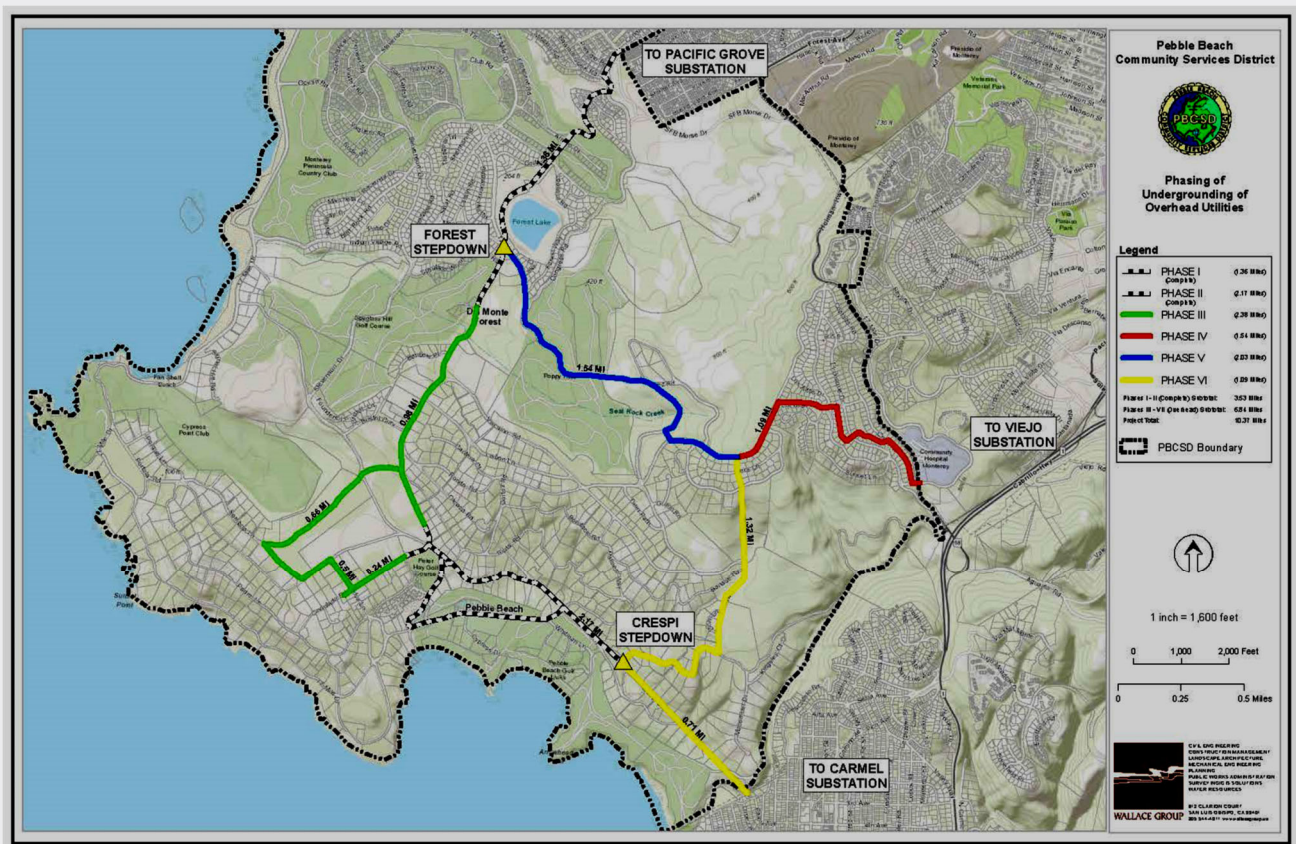
Left: Underground utility crew from contractor Leo Tidwell Excavating Corp placing concrete slurry cap over newly installed conduits along Forest Lake Rd. as part of the Phase 3 Undergrounding Overhead Utilities Project.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Undergrounding of Overhead Utilities Project

Beginning in fiscal year 2012-13, the District has been conducting utility undergrounding projects to increase public safety and reliability for the community.

Below: Map depicting the phasing and areas of the District's multi-year Undergrounding of Overhead Utilities Project.



PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

This narrative overview and analysis of the Pebble Beach Community Services District's ("PBCSD" or "District") financial activities for the fiscal year ended June 30, 2021 has been provided by the management of the District. Management's discussion and analysis (MD&A) is intended to serve as an introduction to the District's financial statements which follow this section, and is recommended to be reviewed in conjunction with them.

FINANCIAL HIGHLIGHTS

- At the end of the fiscal year 2020-21 (*June 30, 2021*), the assets of the District (\$71,598,789) exceeded its liabilities (\$1,980,794) by \$69,617,995; its deferred outflows (\$437,615) exceeded its deferred inflows (\$99,454) by \$338,161 consequently resulting in a net position of \$69,956,156. The net position increased by \$4,256,108 from the prior year, due to a \$4,445,805 increase in the net position of governmental activities and a \$189,697 decrease in the net position of business-type activities.
- The net position included \$27,488,269 in *unrestricted assets*, an increase of \$3,680,606 from the prior year. The net position also included \$2,123,904 in *restricted assets*, an increase of \$506,212 from the prior year. More information on the restricted and unrestricted net assets has been provided in the "Financial Analysis of the Government-Wide Financial Statements" section of this report.
- The net position included \$40,343,983 net investment in capital assets. This amount is \$69,290 more than the prior year. The increase is the net effect of \$2,156,626 in capital outlay additions, and \$2,087,336 in depreciation and amortization expense.
- At the end of the fiscal year 2020-21, the District's governmental funds reported a combined fund balance of \$14,232,740, which is an increase of \$4,380,504 from the prior year. Of this amount, \$9,372,432 in *committed fund balance* was available for use in accordance with the District's Long-Term Capital Outlay Program and Long-Term Financial Plan. This fund balance is committed for specific purposes as follows:
 - \$3,785,662 for construction projects and other capital outlays.
 - \$1,115,000 for operations and maintenance reserves.
 - \$4,471,770 for outstanding contractual obligations.

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements.

Government-wide and fund financial statements present the results of operations for different functions of the District as follows:

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

- 1) **Government-wide financial statements** provide both long-term and short-term information about the District's overall financial position in a manner similar to a private-sector business.

The **Statement of Net Position** displays all of the District's assets plus deferred outflows and liabilities plus deferred inflows, with the difference between the two reported as net position. The **Statement of Activities** provides all current year revenues and expenses on an accrual basis of accounting regardless of when cash is received or paid. These two government-wide statements report the District's net position and how it has changed during the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or weakening.

The government-wide financial statements separately present the District's functions as follows:

- **Governmental activities** include services financed mainly through property taxes. The District's general government, fire protection and emergency medical, supplemental law enforcement, and undergrounding of overhead utilities services comprise its governmental activities.
- **Business-type activities** include services financed, in whole or part, by fees paid by those who directly benefit from the service. The District's business-type activities include wastewater collection and treatment, garbage collection and disposal, and recycled water distribution services.

- 2) **Fund financial statements** focus on the individual functions of the District, and report the District's operations in more detail than the government-wide statements. A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used by state and local governments to control resources that are legally restricted or otherwise earmarked for special purposes. The District reports its fund financial statements in the following two categories:

- **Governmental funds** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 1) short-term inflows and outflows of expendable resources, and 2) the resources remaining at the end of the fiscal year that are available for future use. Since the focus of governmental funds is narrower than the government-wide financial statements, a reconciliation that explains the relationship (or differences) between them is presented following each of the governmental fund statements.
- **Proprietary funds** are used to report the same functions presented as business-type activities in the government-wide financial statements in more detail.

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

3) **Notes to the financial statements** provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

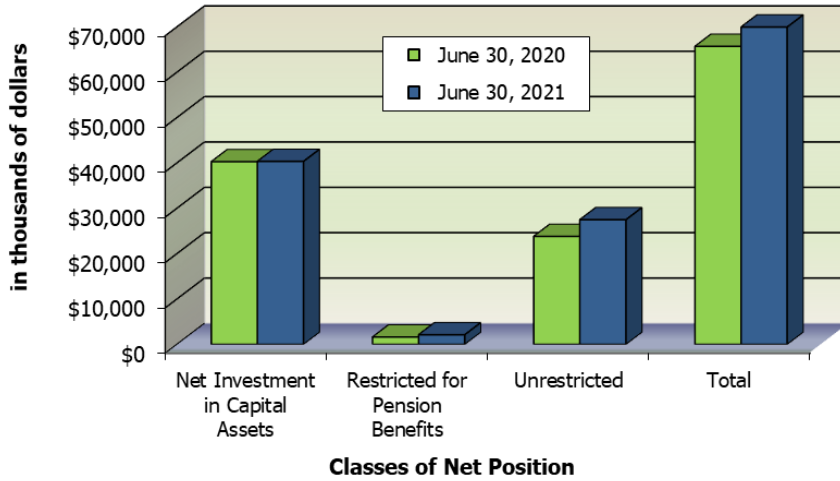
A review of net position over time may serve as a useful indicator of the District's financial position. Net position represents the difference between the District's assets plus deferred outflows and liabilities plus deferred inflows. The following table outlines the District's net position by function for the current and prior fiscal years.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT SUMMARY OF NET POSITION (in thousands) As of June 30, 2021 and 2020							
	Governmental Activities		Business-type Activities		Total		Variance
	2021	2020	2021	2020	2021	2020	\$
ASSETS							
Current & Other Assets	\$ 13,301	\$ 9,171	\$ 15,365	\$ 15,667	\$ 28,666	\$ 24,838	\$ 3,828
Restricted Assets	2,124	1,618	-	-	2,124	1,618	506
Capital Assets	4,615	4,445	36,194	36,115	40,809	40,560	249
Total Assets	<u>20,040</u>	<u>15,234</u>	<u>51,559</u>	<u>51,782</u>	<u>71,599</u>	<u>67,016</u>	<u>4,583</u>
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Pensions	280	336	158	183	438	519	(81)
LIABILITIES							
Current Liabilities	525	292	947	1,062	1,472	1,354	118
Long-Term Liabilities	345	260	164	102	509	362	147
Total Liabilities	<u>870</u>	<u>552</u>	<u>1,111</u>	<u>1,164</u>	<u>1,981</u>	<u>1,716</u>	<u>265</u>
DEFERRED INFLOWS OF RESOURCES							
Deferred Pensions	62	75	38	44	100	119	(19)
NET POSITION							
Net Investment in Capital Assets	4,368	4,420	35,976	35,855	40,344	40,275	69
Restricted for Pension Benefits	2,124	1,618	-	-	2,124	1,618	506
Unrestricted	12,896	8,905	14,592	14,902	27,488	23,807	3,681
Total Net Position	<u>\$ 19,388</u>	<u>\$ 14,943</u>	<u>\$ 50,568</u>	<u>\$ 50,757</u>	<u>\$ 69,956</u>	<u>\$ 65,700</u>	<u>\$ 4,256</u>

The chart on the next page provides a comparison of the District's net position for the current and prior fiscal years.

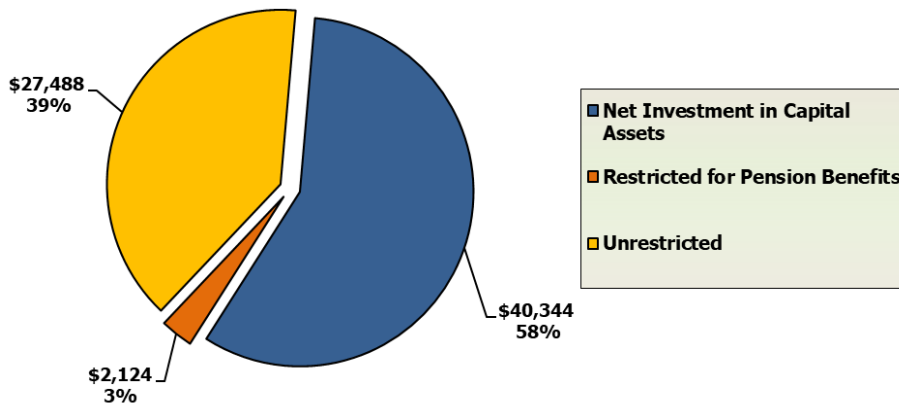
**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

PBCSD Net Position Comparison June 30, 2020 and 2021



The following chart displays the District's net position by class as of June 30, 2021. The largest portion of the District's net position, approximately 58%, reflects its capital assets (e.g., land, buildings, utility systems and infrastructure, machinery and equipment, etc.). The District uses its capital assets to provide the services it is responsible for and those assets do not represent future expendable resources.

Net Position as of June 30, 2021 (in thousands of dollars)



The second largest portion of the District's net position, approximately 39%, is unrestricted assets. A large portion of the unrestricted net assets (\$27,150,108) is available to finance operating expenses, capital outlays and construction projects, and to serve as reserves. A smaller portion (\$338,161) represents the net positive difference between actuarially calculated deferred outflows and deferred inflows related to pensions. The District's Board of Directors annually establishes reserve levels based on an update of the District's Long-Term Capital Outlay Program and Financial Plans.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

As of June 30, 2021, the unrestricted assets were earmarked as follows:

- \$14,725,258 for future construction projects and other capital outlays.
- \$5,932,744 for operations and maintenance (O&M) expenses and O&M reserves.
- \$5,180,267 for outstanding contractual obligations.
- \$1,650,000 for rate stabilization reserves.

Restricted cash and investments (\$2,123,904) consisted of the Pension Benefits Trust (Internal Revenue Code Section 115 Trust) established to fund future pension obligations.

The following table displays the change in the District's net position in the fiscal year 2020-21.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT'S CHANGE IN NET POSITION						
For the Year Ended June 30, 2021						
(Amounts in Thousands)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues						
Program Revenues:						
Charges for Services	\$ 203	\$ 203	\$ 2,060	\$ 1,898	\$ 2,263	\$ 2,101
Operating Grants and Contributions	-	-	440	458	440	458
Capital Grants and Contributions	-	-	204	1,724	204	1,724
General Revenues:						
Property Taxes	14,207	13,328	2,217	2,080	16,424	15,408
Proposition 172 Public Safety Tax	224	224	-	-	224	224
Investment Income	113	211	155	273	268	484
Investment Income - Pension Trust	506	39	-	-	506	39
Franchise Revenue	120	134	-	-	120	134
Miscellaneous	65	43	47	69	112	112
Total Revenues	<u>15,438</u>	<u>14,182</u>	<u>5,123</u>	<u>6,502</u>	<u>20,561</u>	<u>20,684</u>
Expenses						
General Government	2,660	2,452	-	-	2,660	2,452
Law Enforcement	260	245	-	-	260	245
Fire Protection and Emergency Medical	5,966	6,668	-	-	5,966	6,668
Project Expenses	1,190	91	-	-	1,190	91
Wastewater	-	-	4,155	3,607	4,155	3,607
Solid Waste	-	-	915	871	915	871
Reclamation	-	-	1,159	1,046	1,159	1,046
Total Expenses	<u>10,076</u>	<u>9,456</u>	<u>6,229</u>	<u>5,524</u>	<u>16,305</u>	<u>14,980</u>
Increase (Decrease) in Net Position						
Before Transfers	5,362	4,726	(1,106)	978	4,256	5,704
Transfers	<u>(917)</u>	<u>(3,397)</u>	<u>917</u>	<u>3,397</u>	<u>-</u>	<u>-</u>
Change in Net Position	4,445	1,329	(189)	4,375	4,256	5,704
Net Position, Beginning of Year	14,943	13,614	50,757	46,382	65,700	59,996
Net Position, End of Year	<u>\$ 19,388</u>	<u>\$ 14,943</u>	<u>\$ 50,568</u>	<u>\$ 50,757</u>	<u>\$ 69,956</u>	<u>\$ 65,700</u>

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The main revenue source of the District, property tax, increased by \$1,015,592 or 6.6%, from \$15,408,564 in fiscal year 2019-20 to \$16,424,156 in fiscal year 2020-21. Service charges, which includes wastewater and garbage basic service fees and fire special tax, increased by \$161,599 or 7.7%, from \$2,101,249 to \$2,262,848. Investment income decreased by \$216,207 or 44.7%, from \$483,759 to \$267,552.

The governmental activities expenses increased by \$619,140 or 6.5%, from \$9,456,264 in fiscal year 2019-20 to \$10,075,404 in fiscal year 2020-21.

The business-type activities expenses increased by \$704,490 or 12.8%, from \$5,524,390 in fiscal year 2019-20 to \$6,228,880 in fiscal year 2020-21. Of these amounts, \$1,475,458 and \$1,686,887 were for depreciation and amortization for the fiscal years 2019-20 and 2020-21, respectively. The business-type expenses include \$1,046,485 and \$1,158,743 in Reclamation Project expenses for the fiscal years 2019-20 and 2020-21, including \$587,919 and \$718,224 in depreciation expenses, respectively. The Reclamation operating expenses and capital assets are financed with contributed capital from the Reclamation Project.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the District's governmental funds is to provide information on the short-term inflows and outflows and balances of current expendable resources. In particular, the *unreserved fund balance* presented in the balance sheet may serve as a useful measure of the District's resources available for spending at the end of its fiscal year.

The District's governmental funds include the General Fund and the Capital Outlay Fund. The General Fund is the main operating fund of the District. The Capital Outlay Fund accounts for the construction projects and other capital outlay expenditures.

As of June 30, 2021, the combined fund balance of governmental funds increased by \$4,380,504 from \$9,852,236 in fiscal year 2019-20 to \$14,232,740 in 2020-21. The combined Governmental Funds revenue exceeded the expenditures by \$5,297,204.

The fund balance of the General Fund increased by \$1,303,629 from \$4,671,679 in fiscal year 2019-20 to \$5,975,308 in fiscal year 2020-21. The fund balance included \$2,123,904 restricted for pension benefits and \$1,115,000 committed as O&M reserves.

The General Fund revenues exceeded expenditures by \$7,001,404. Of this amount, \$4,781,075 was transferred to Capital Outlay Fund to rebuild the previously reduced reserves, and \$916,700 was transferred to the Wastewater Fund to help finance the District's one-third share of the Carmel Area Wastewater District (CAWD) sewer treatment plant rehabilitation projects.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The Capital Outlay Fund balance increased by \$3,076,875 from \$5,180,557 in fiscal year 2019-20 to \$8,257,432 in fiscal year 2020-21. The fund balance included \$4,471,770 committed to outstanding obligations and \$3,785,662 committed for capital outlays and construction projects. The change in fund balance of the Capital Outlay Fund is the net effect of \$4,781,075 in transfers from the general fund, in accordance with the District long-term capital outlay program, and expenditures exceeding revenues by \$1,704,200.

Proprietary Funds

The District's proprietary fund statements provide the same type of information, in more detail, on the business-type activities presented in the government-wide financial statements. In comparison to the prior year, the net position of the proprietary funds decreased by \$189,697, from \$50,757,379 to \$50,567,682, mainly due to an increase in depreciation expense. The net investment in capital assets increased by \$121,402 from \$35,854,567 to \$35,975,969. The net position included \$14,591,713 in unrestricted financial assets, including a \$119,570 net positive difference between deferred outflows and deferred inflows related to pensions.

BUDGETARY HIGHLIGHTS

The District adopts annual operating budgets for both the governmental and the proprietary funds. The District Board may adopt budget amendments during the course of the fiscal year to adjust for unforeseen circumstances and changes in priorities. This report includes the results of the general fund operations on a budgetary comparison basis.

General Fund

The general fund reflects a net favorable budget variance of \$3,921,404 when comparing actual amounts to the final budget for the fiscal year. The actual revenues of \$15,287,100 were over the final budget by \$1,223,100 mainly due to higher than anticipated property taxes and unrealized pension trust fund investment gains.

The actual expenditures of \$8,285,696 were less than the budgeted amount by \$2,698,304. The expenditure variances are mainly due to: 1) not using the contingencies included in the budget; and 2) budgeting the California Department of Forestry and Fire Protection (CAL FIRE) staff salaries at the highest step of the salary ranges according to the contract between the State and the District (more information on the District's contractual relationship with CAL FIRE is provided in Note 1 of the "Notes to the Financial Statements" section).

CAPITAL ASSETS

The District's capital assets for its governmental and business-type activities amounts to \$40,808,594 (\$83,078,972 net of \$42,270,378 in accumulated depreciation and amortization) as of June 30, 2021. The District's capital assets include land, construction in progress, buildings,

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

utility systems and infrastructure (wastewater lines and underground pump stations; wastewater treatment plant capacity rights; recycled water distribution system, Forest Lake Reservoir, storage facilities and pump stations), and machinery and equipment. The capital assets before depreciation and deletions increased by \$2,141,506 or 2.6%, from \$80,937,466 to \$83,078,972. Significant additions to capital assets in fiscal year 2020-21 included:

- Wastewater Collection System CCTV Inspection and Assessment Project (\$642,000)
- Wastewater Combination Jet/Vacuum Line Cleaning Truck (\$438,000)
- Carmel Hill Fire Station Medic Engine 28 PBCSD 50% Share (\$346,000)
- Reclamation Forest Lake Chlorine Feed System Improvements (\$163,000)
- Fire Station Kitchen Remodel and Carpet Replacement (\$147,000)
- Sewer Pump Station P8 SCADA & Electrical Systems Improvements Project (\$136,000)
- Sewer Pump Station P3 Improvements Project Preliminary Design (\$68,000)
- Wastewater CCTV Inspection Camera Equipment (\$55,000)

The following table displays the changes in the District's capital assets, net of accumulated depreciation.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,371,224	\$ 1,371,224	\$ 2,854,000	\$ 2,854,000	\$ 4,225,224	\$ 4,225,224
Construction in Progress	507,128	8,259	1,778,954	1,069,083	2,286,082	1,077,342
Buildings	1,550,444	1,669,694	812,713	873,737	2,363,157	2,543,431
Utility Systems/Infrastructure	84,436	89,060	29,959,987	30,940,053	30,044,423	31,029,113
Machinery and Equipment	1,101,559	1,306,577	788,149	378,300	1,889,708	1,684,877
Total Net Capital Assets	\$ 4,614,791	\$ 4,444,814	\$36,193,803	\$36,115,173	\$40,808,594	\$40,559,987

Additional information on the District's capital assets can be found in Note 8 of the "Notes to the Financial Statements" section.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The District's main revenue source, property tax, has been steadily increasing since the 2008 real estate market decline. The trend is expected to continue allowing the District to finance its operations and a portion of its budgeted capital outlays in fiscal year 2021-22. Based on the preliminary information received from the Monterey County Assessor's Office, the District's property tax revenue is expected to increase by approximately 6% in fiscal year 2021-22.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021

The District's contract with CAL FIRE constitutes about 83% of its budgeted operating expenses related to the fire protection and emergency medical services. In fiscal year 2021-22, the contract amount is expected to decrease by approximately 7% to \$6.3 million mainly due to a decrease in pension and other employee benefits costs which are passed to the District.

The wastewater user fees will increase by 9% as approved by the District Board in the fiscal year 2021-22 final budget. The adjustment is to partially offset the increase in PBCSD's share of the CAWD treatment plant capital outlays. In 2013, CAWD completed a Capital Outlay Master Plan, which identified the renewal and replacement needs of the plant. Total plant renewal is anticipated to cost approximately \$30 million over a period of 15 years. According to the contract between the two agencies, PBCSD is responsible for one-third of the treatment plant capital outlay costs in addition to a portion of the operating costs calculated based on the wastewater flow ratio and administrative fee. The PBCSD fiscal year 2021-22 budget includes \$1.85 million for its share of plant operating expenses and approximately \$1.8 million for plant capital outlays.

The District has been implementing an undergrounding overhead utilities program since fiscal year 2012-13 for improved reliability and public safety. The current Board policy is to undertake undergrounding projects on a "pay-as-you-go" basis. In fiscal year 2018-19, the District completed the Phase 2 undergrounding project, and began design and engineering for Phase 3 project. The District paid approximately \$1.2 million for the undergrounding projects in fiscal year 2020-21; and fiscal year 2021-22 budget includes a \$9 million allocation to continue construction of the Phase 3 project.

Investment income currently constitutes approximately 4% of the annual revenue. The investment income increased by \$251,488 from \$522,276 in fiscal year 2019-20 to \$773,764 in fiscal year 2020-21 (including \$506,212 in unrealized pension trust fund investments gains). Beginning in 2019, the Federal Reserve started lowering the federal funds rate. This change in monetary policy did not have a significant impact on the District in the fiscal year 2020-21; however, over the next few years, investment income may be impacted negatively, as the new funds and maturing existing securities may have to be invested at lower rates.

As the COVID-19 pandemic impacted economies and daily lives during the fiscal years 2019-20 and 2020-21, the District successfully provided essential services to the general public without interruption, while protecting its employees. The District's main income source, property tax, historically has been a stable revenue source. The second largest revenue source, user fees, are also collected on the property tax rolls. In fiscal year 2020-21 property tax revenues and user fees were collected as expected with no impact on the District. The current laws provide protection for collection of these revenues even if there may be delays in bad economic times. The District has been building sufficient reserves for such cases to maintain its services. Consequently, COVID-19 is not expected to have a material impact on the District's economic position in fiscal year 2021-22.

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the District's finances and to demonstrate the District's financial accountability and compliance with applicable laws for readers of the financial statements. Questions concerning any of the information provided in this report or requests for additional financial information can be addressed to Pebble Beach Community Services District, 3101 Forest Lake Road, Pebble Beach, California 93953 or by visiting the District's website at www.pbcasd.org.



Left: Crews from Pebble Beach and Carmel Highlands fire stations launch the reserve boat 21 off Carmel River Beach to practice training on search and rescue operations with CHP H-70 helicopter.

BASIC FINANCIAL STATEMENTS

Right: The maiden launch of the new Boat 21 purchased in FY 2020-21.

In accordance with a cost-sharing Memorandum of Understanding, the District, and neighboring Cypress and Carmel Highlands Fire Protection Districts share the costs of water rescue program operating and capital outlay costs.



PEBBLE BEACH COMMUNITY SERVICES DISTRICT

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 12,008,147	\$ 14,892,839	\$ 26,900,986
Receivables, Net	1,242,490	522,815	1,765,305
Internal Balances	50,161	(50,161)	-
Cash and Investments, Restricted	2,123,904	-	2,123,904
Capital Assets Not Being Depreciated	1,878,352	4,632,954	6,511,306
Capital Assets, Net of Accumulated Depreciation	2,736,439	31,560,849	34,297,288
Total Assets	<u>20,039,493</u>	<u>51,559,296</u>	<u>71,598,789</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pensions	<u>280,245</u>	<u>157,370</u>	<u>437,615</u>
LIABILITIES			
Accounts Payable	106,385	189,145	295,530
Contract Services Payable	39,121	415,176	454,297
Construction in Progress Payable	246,777	217,834	464,611
Long-term Liabilities:			
Due within One Year	132,335	124,732	257,067
Due in More than One Year	344,992	164,297	509,289
Total Liabilities	<u>869,610</u>	<u>1,111,184</u>	<u>1,980,794</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pensions	<u>61,654</u>	<u>37,800</u>	<u>99,454</u>
NET POSITION			
Net Investment in Capital Assets	4,368,014	35,975,969	40,343,983
Restricted for Pension Benefits	2,123,904	-	2,123,904
Unrestricted	12,896,556	14,591,713	27,488,269
Total Net Position	<u>\$ 19,388,474</u>	<u>\$ 50,567,682</u>	<u>\$ 69,956,156</u>

See accompanying notes to the financial statements.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Statement of Activities
For the Year Ended June 30, 2021

Functions/Programs	Program Revenues					Net (Exp.) Rev. and Changes in Net Position
	Operating Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:						
Governmental Activities:						
General Government	\$ 2,659,664	\$ -	\$ -	\$ -	\$ -	\$ (2,659,664)
Fire Protection & Emergency Medical	5,966,217	-	203,160	-	-	(5,763,057)
Law Enforcement	260,079	-	-	-	-	(260,079)
Project Expenses	1,189,444	-	-	-	-	(1,189,444)
Total Governmental Activities	<u>10,075,404</u>	<u>-</u>	<u>203,160</u>	<u>-</u>	<u>-</u>	<u>(9,872,244)</u>
Business-type Activities:						
Wastewater	4,155,448	-	1,151,255	-	-	(3,004,193)
Solid Waste	914,689	-	908,433	-	-	(6,256)
Reclamation	1,158,743	-	-	440,519	203,657	(514,567)
Total Business-type Activities	<u>6,228,880</u>	<u>-</u>	<u>2,059,688</u>	<u>440,519</u>	<u>203,657</u>	<u>(3,525,016)</u>
Total Primary Government	<u>\$ 16,304,284</u>	<u>\$ -</u>	<u>\$ 2,262,848</u>	<u>\$ 440,519</u>	<u>\$ 203,657</u>	<u>\$ (13,397,260)</u>

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Changes in Net Position:			
Net (Expense) Revenues	\$ (9,872,244)	\$ (3,525,016)	\$ (13,397,260)
General Revenues:			
Property Taxes	14,206,895	2,217,261	16,424,156
Proposition 172 Public Safety Sales Tax	224,109	-	224,109
Investment Income	112,713	154,839	267,552
Investment Income - Pension Trust	506,212	-	506,212
Franchise Revenue	119,568	-	119,568
Miscellaneous	65,252	46,519	111,771
Transfers	(916,700)	916,700	-
Total General Revenues and Transfers	<u>14,318,049</u>	<u>3,335,319</u>	<u>17,653,368</u>
Changes in Net Position	4,445,805	(189,697)	4,256,108
Net Position, Beginning of Year	<u>14,942,669</u>	<u>50,757,379</u>	<u>65,700,048</u>
Net Position, End of Year	<u>\$ 19,388,474</u>	<u>\$ 50,567,682</u>	<u>\$ 69,956,156</u>

See accompanying notes to the financial statements.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Balance Sheet - Governmental Funds
June 30, 2021

	<u>General Fund</u>	<u>Capital Outlay Fund</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 3,527,588	\$ 8,480,559	\$ 12,008,147
Receivables, Net:			
Property Taxes	796,533	-	796,533
Fire Service Special Tax	3,146	-	3,146
Accounts Receivable	391,202	51,609	442,811
Due from Reclamation Fund	50,161	-	50,161
Cash and Investments, Restricted	2,123,904	-	2,123,904
Total Assets	<u>6,892,534</u>	<u>8,532,168</u>	<u>15,424,702</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES			
Liabilities:			
Accounts Payable	78,426	27,959	106,385
Contract Services Payable	39,121	-	39,121
Construction in Progress Payable	-	246,777	246,777
Total Liabilities	<u>117,547</u>	<u>274,736</u>	<u>392,283</u>
Deferred Inflows:			
Deferred Tax Revenue	799,679	-	799,679
Total Deferred Inflows	<u>799,679</u>	<u>-</u>	<u>799,679</u>
Fund Balances:			
Restricted	2,123,904	-	2,123,904
Committed for:			
Outstanding Obligations	-	4,471,770	4,471,770
Capital Outlays/Construction Projects	-	3,785,662	3,785,662
Operations and Maintenance Reserve	1,115,000	-	1,115,000
Unassigned	2,736,404	-	2,736,404
Total Fund Balances	<u>5,975,308</u>	<u>8,257,432</u>	<u>14,232,740</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 6,892,534</u>	<u>\$ 8,532,168</u>	<u>\$ 15,424,702</u>

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

Total Fund Balances - Governmental Funds	\$ 14,232,740
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	4,614,791
Certain property tax and other general fund receivables are not available to pay for current period expenditures, and therefore are not reported in the funds.	799,679
Deferred inflows and outflows related to pension activity are not required to be reported in the funds but are required to be reported at the government-wide level:	
Deferred outflows - Changes in employer portion and differences between contributions and proportionate share of pension expense.	128,702
Deferred outflows - Employer contributions to pension plan after measurement date.	151,543
Deferred inflows - Differences between projected and actual investment earnings.	(61,654)
Certain current and long-term liabilities are not due and payable in the current period and are not reported in the funds:	
Accrued compensated absences	(205,669)
Retirement Incentive Liability	(150,504)
Net Pension Liability	(121,154)
Net Position of Governmental Activities	<u>\$ 19,388,474</u>

See accompanying notes to the financial statements

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

	General Fund	Capital Outlay Fund	Total
REVENUES			
Property Taxes	\$ 14,111,223	\$ -	\$ 14,111,223
Fire Service Special Tax	203,693	-	203,693
Proposition 172 Funds	224,109	-	224,109
Franchise Revenue	119,568	-	119,568
Investment Income	57,043	55,670	112,713
Investment Income - Pension Trust	506,212	-	506,212
Miscellaneous	65,252	-	65,252
Total Revenues	15,287,100	55,670	15,342,770
EXPENDITURES			
Current:			
General Government	2,368,782	-	2,368,782
Fire Protection and Emergency Medical	5,656,835	-	5,656,835
Undergrounding Utilities	-	1,189,444	1,189,444
Law Enforcement	260,079	-	260,079
Capital Outlay	-	570,426	570,426
Total Expenditures	8,285,696	1,759,870	10,045,566
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,001,404	(1,704,200)	5,297,204
OTHER FINANCING SOURCES (USES)			
Transfers In (Out)	(5,697,775)	4,781,075	(916,700)
Total Other Financing Sources (Uses)	(5,697,775)	4,781,075	(916,700)
Net Change in Fund Balances	1,303,629	3,076,875	4,380,504
Fund Balances, Beginning of Year	4,671,679	5,180,557	9,852,236
Fund Balances, End of Year	\$ 5,975,308	\$ 8,257,432	\$ 14,232,740

**Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances to the Statement of Activities**

Net Change in Fund Balances- Total Governmental Funds	\$ 4,380,504
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense. In the current period these amounts are:	
Capital Outlay	570,426
Current year depreciation	(400,449)
Certain property tax and other general fund revenues reported in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	95,139
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds	
Compensated Absences	83,105
Retirement Incentives	(150,504)
Long-term net pension liability/(asset) is reported in the Government-wide Statement of Activities, but does not require the use of current financial resources or is not available to pay for current expenditures. Therefore, long-term net pension liability/(asset) is not reported as expenditure/ revenue in the funds.	(132,416)
Change in Net Position of Governmental Activities	\$ 4,445,805

See accompanying notes to the financial statements.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance Over (Under) Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property Taxes	\$ 13,430,000	\$ 13,430,000	\$ 14,111,223	\$ 681,223
Fire Service Special Tax	200,000	200,000	203,693	3,693
Proposition 172 Funds	220,000	220,000	224,109	4,109
Franchise Revenue	125,000	125,000	119,568	(5,432)
Investment Income	55,000	55,000	57,043	2,043
Investment Income - Pension Trust	-	-	506,212	506,212
Miscellaneous	34,000	34,000	65,252	31,252
Total Revenues	<u>14,064,000</u>	<u>14,064,000</u>	<u>15,287,100</u>	<u>1,223,100</u>
EXPENDITURES				
Current:				
General Government	2,496,000	2,496,000	2,368,782	(127,218)
Fire Protection and Emergency Medical	8,157,000	8,157,000	5,656,835	(2,500,165)
Law Enforcement	331,000	331,000	260,079	(70,921)
Total Expenditures	<u>10,984,000</u>	<u>10,984,000</u>	<u>8,285,696</u>	<u>(2,698,304)</u>
Excess of Revenues over Expenditures	<u>3,080,000</u>	<u>3,080,000</u>	<u>7,001,404</u>	<u>3,921,404</u>
OTHER FINANCING USES				
Transfers Out, Net of Transfers In	(3,080,000)	(3,580,000)	(5,697,775)	(2,117,775)
Total Other Financing Uses	<u>(3,080,000)</u>	<u>(3,580,000)</u>	<u>(5,697,775)</u>	<u>(2,117,775)</u>
Net Change in Fund Balances	-	(500,000)	1,303,629	1,803,629
Fund Balances, Beginning of Year	4,671,679	4,671,679	4,671,679	-
Fund Balances, End of Year	<u>\$ 4,671,679</u>	<u>\$ 4,171,679</u>	<u>\$ 5,975,308</u>	<u>\$ 1,803,629</u>

See accompanying notes to the financial statements.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-Type Activities - Enterprise Funds			
	Wastewater	Solid Waste	Reclamation	Total
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 14,799,080	\$ 93,759	\$ -	\$ 14,892,839
Accounts Receivable	17,152	-	316,764	333,916
Property Taxes Receivable	164,562	-	-	164,562
User Fees Receivable	12,276	12,061	-	24,337
Total Current Assets	<u>14,993,070</u>	<u>105,820</u>	<u>316,764</u>	<u>15,415,654</u>
Capital Assets:				
Land	-	-	2,854,000	2,854,000
Buildings	1,794,281	-	-	1,794,281
Utility Systems	37,785,456	-	24,817,519	62,602,975
Machinery and Equipment	1,893,251	-	319,158	2,212,409
Subtotal Capital Assets	41,472,988	-	27,990,677	69,463,665
Less Accum Depreciation and Amortization	(21,334,961)	-	(13,713,855)	(35,048,816)
Construction in Progress	1,585,883	-	193,071	1,778,954
Total Capital Assets, Net	<u>21,723,910</u>	<u>-</u>	<u>14,469,893</u>	<u>36,193,803</u>
Total Assets	<u>36,716,980</u>	<u>105,820</u>	<u>14,786,657</u>	<u>51,609,457</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Pensions	<u>157,370</u>	<u>-</u>	<u>-</u>	<u>157,370</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	53,155	5,820	130,170	189,145
Contract Services Payable	415,176	-	-	415,176
Construction in Progress Payable	81,401	-	136,433	217,834
Due to Governmental Funds	-	-	50,161	50,161
Compensated Absences	25,143	-	-	25,143
Retirement Incentives	99,589	-	-	99,589
Total Current Liabilities	<u>674,464</u>	<u>5,820</u>	<u>316,764</u>	<u>997,048</u>
Noncurrent Liabilities:				
Compensated Absences	15,587	-	-	15,587
Retirement Incentives	98,782	-	-	98,782
Net Pension Liability	49,928	-	-	49,928
Total Noncurrent Liabilities	<u>164,297</u>	<u>-</u>	<u>-</u>	<u>164,297</u>
Total Liabilities	<u>838,761</u>	<u>5,820</u>	<u>316,764</u>	<u>1,161,345</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pensions	<u>37,800</u>	<u>-</u>	<u>-</u>	<u>37,800</u>
NET POSITION				
Net Investment in Capital Assets	21,642,509	-	14,333,460	35,975,969
Unrestricted	14,355,280	100,000	136,433	14,591,713
Total Net Position	<u>\$ 35,997,789</u>	<u>\$ 100,000</u>	<u>\$ 14,469,893</u>	<u>\$ 50,567,682</u>

See accompanying notes to the financial statements.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds			
	Wastewater	Solid Waste	Reclamation	Total
Operating Revenues:				
User Service Charges	\$ 1,151,255	\$ 908,433	\$ -	\$ 2,059,688
Operating Reimbursements	-	-	440,519	440,519
Miscellaneous	46,519	-	-	46,519
Total Operating Revenues	<u>1,197,774</u>	<u>908,433</u>	<u>440,519</u>	<u>2,546,726</u>
Operating Expenses:				
Salaries and Employee Benefits	1,279,093	-	105,065	1,384,158
Contractual Services	1,488,254	908,240	-	2,396,494
Other Operating Expenses	419,438	6,449	335,454	761,341
Depreciation and Amortization	968,663	-	718,224	1,686,887
Total Operating Expenses	<u>4,155,448</u>	<u>914,689</u>	<u>1,158,743</u>	<u>6,228,880</u>
Operating Income (Loss)	<u>(2,957,674)</u>	<u>(6,256)</u>	<u>(718,224)</u>	<u>(3,682,154)</u>
Nonoperating Revenues:				
Property Taxes	2,217,261	-	-	2,217,261
Investment Income	154,839	-	-	154,839
Total Nonoperating Revenues	<u>2,372,100</u>	<u>-</u>	<u>-</u>	<u>2,372,100</u>
Income (Loss) Before Contributions and Transfers	<u>(585,574)</u>	<u>(6,256)</u>	<u>(718,224)</u>	<u>(1,310,054)</u>
Capital Contributions	-	-	203,657	203,657
Transfers In (Out)	902,944	13,756	-	916,700
Changes in Net Position	<u>317,370</u>	<u>7,500</u>	<u>(514,567)</u>	<u>(189,697)</u>
Total Net Position, Beginning of Year	<u>35,680,419</u>	<u>92,500</u>	<u>14,984,460</u>	<u>50,757,379</u>
Total Net Position, End of Year	<u>\$ 35,997,789</u>	<u>\$ 100,000</u>	<u>\$ 14,469,893</u>	<u>\$ 50,567,682</u>

See accompanying notes to the financial statements.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

	Business-Type Activities - Enterprise Funds			
	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Reclamation</u>	<u>Total</u>
Cash Flows from Operating Activities:				
Cash Received for User Service Charges				
Collected on the Property Tax Rolls	\$ 1,152,182	\$ 909,398	\$ -	\$ 2,061,580
Cash Received for Services	43,770	-	-	43,770
Cash Received from Reclamation Project	-	-	392,625	392,625
Payments to Employees	(1,101,817)	-	(105,065)	(1,206,882)
Payments for Goods and Services	(2,017,316)	(908,997)	(290,874)	(3,217,187)
Net Cash Provided by (Used in) Operating Activities	<u>(1,923,181)</u>	<u>401</u>	<u>(3,314)</u>	<u>(1,926,094)</u>
Cash Flows from Noncapital Financing Activities:				
Property Taxes	2,202,329	-	-	2,202,329
Net Cash Provided by Noncapital Financing Activities	<u>2,202,329</u>	<u>-</u>	<u>-</u>	<u>2,202,329</u>
Cash Flows from Capital and Related Financing Activities:				
Capital Contributions	-	-	217,892	217,892
Transfers from (to) Governmental Funds	902,944	13,756	(145,034)	771,666
Acquisition and Construction of Capital Outlays	(1,847,081)	-	(69,544)	(1,916,625)
Net Cash Provided By (Used in) Capital and Related Financing Activities	<u>(944,137)</u>	<u>13,756</u>	<u>3,314</u>	<u>(927,067)</u>
Cash Flows from Investing Activities:				
Proceeds from Investment Earnings	154,839	-	-	154,839
Net Cash Provided by (Used in) Investment Activities	<u>154,839</u>	<u>-</u>	<u>-</u>	<u>154,839</u>
Net Increase in Cash and Cash Equivalents	(510,150)	14,157	-	(495,993)
Cash and Cash Equivalents, Beginning of Year	15,309,230	79,602	-	15,388,832
Cash and Cash Equivalents, End of Year	<u>\$ 14,799,080</u>	<u>\$ 93,759</u>	<u>\$ -</u>	<u>\$ 14,892,839</u>

Reconciliation of Operating Loss to Net Cash Provided by (Used in) Operating Activities

	Business-Type Activities - Enterprise Funds			
	<u>Wastewater</u>	<u>Solid Waste</u>	<u>Reclamation</u>	<u>Total</u>
Operating Loss	<u>\$ (2,957,674)</u>	<u>\$ (6,256)</u>	<u>\$ (718,224)</u>	<u>\$ (3,682,154)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and Amortization	968,663	-	718,224	1,686,887
Pension Expense - GASB 68	65,985	-	-	65,985
Changes in assets and liabilities:				
(Increase) / Decrease in accounts receivable	(1,822)	965	(47,894)	(48,751)
Increase / (Decrease) in accounts payable	(109,624)	5,692	44,580	(59,352)
Increase / (Decrease) in compensated absences	(87,080)	-	-	(87,080)
Increase / (Decrease) in retirement incentives	198,371	-	-	198,371
Total adjustments	<u>1,034,493</u>	<u>6,657</u>	<u>714,910</u>	<u>1,756,060</u>
Net cash provided by (used in) operating activities	<u>\$ (1,923,181)</u>	<u>\$ 401</u>	<u>\$ (3,314)</u>	<u>\$ (1,926,094)</u>
Schedule of non-cash capital and related financing activities:				
Capital Contributions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,236)</u>	<u>\$ (14,236)</u>

See accompanying notes to the financial statements.



CAWD Treatment Plant

The Carmel Area Wastewater District "CAWD" provides wastewater treatment and disposal services by contract to the District.

NOTES TO THE FINANCIAL STATEMENTS



PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Pebble Beach Community Services District (District) have been prepared in conformity with generally accepted accounting principles in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

A. Reporting Entity

The District was organized on July 1, 1982 under the Community Services District Law (Section 61000 et seq, Government Code) by merger of the Pebble Beach Sanitary District and the County Service Area 42. It provides the following services within the Del Monte Forest area of the Monterey Peninsula:

- Fire Protection and Emergency Medical Services
- Supplemental Law Enforcement
- Wastewater Collection, Treatment, and Disposal
- Garbage Collection and Disposal
- Recycled Water Storage and Distribution
- Undergrounding of Overhead Utilities

Fire Protection and Emergency Medical Services - The District contracts with the California Department of Forestry and Fire Protection (CAL FIRE) to provide fire protection and emergency medical services (EMS). Under the contract, CAL FIRE provides personnel and the District provides facilities, vehicles, equipment, and supplies for the services. There are two fire stations serving the District. The main Pebble Beach Fire Station, located at Forest Lake and Lopez Roads, is fully owned by the District. In addition, the District owns a 25% equity interest in the Carmel Hill Fire Station located near the Highway One Gate in Pebble Beach. The other owners of the station are the neighboring Cypress Fire Protection District (Cypress FPD) with a 25% interest, and CAL FIRE which has a 50% interest. A fire engine and a ladder truck provide structural fire protection and EMS from the main Pebble Beach Fire Station. A fire engine located at the Carmel Hill Fire Station provides structural fire protection and EMS for the District and the Cypress FPD. Fire engines at each station are staffed with a firefighter/paramedic providing advanced life support medical services. The District also has a water rescue program, including a water rescue craft and firefighters trained as rescue swimmers responding to ocean emergencies. The cost of the CAL FIRE contractual services was \$5,027,044 in the fiscal year 2020-21.

Wastewater Collection, Treatment, and Disposal - The District owns and maintains eighty-two miles of wastewater collection and interceptor lines and eight lift stations. The wastewater treatment service is provided through a contract with Carmel Area Wastewater District (CAWD). According to the contract, the District pays for one-third of the cost of the

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

CAWD treatment plant capital outlays for maintaining use rights to one-third of the plant's treatment capacity. In addition, the District shares the treatment plant operating and maintenance (O&M) costs based on prorated wastewater flows of the two Districts, and pays an additional 7.5% of the treatment plant O&M expenses as administration fees. In fiscal year 2020-21, the District paid \$1,488,254, which is equal to 38.19% of the plant O&M expenses. The District charges property owners a user fee to pay a portion of the wastewater service costs. User fees are collected for the District by the Monterey County Tax Collector's Office on the property tax bills.

Garbage Collection and Disposal - The District provides garbage collection and disposal services through a franchise agreement with Green Waste Recovery (GWR). The District levies a user fee on all residential property owners for mandatory basic garbage collection and disposal services. The fees for the basic residential services are collected for the District by the Monterey County Tax Collector's Office on the property tax bills. The District makes quarterly payments to the franchise holder for the basic residential services. The cost for the basic residential services was \$908,240 for the fiscal year ended June 30, 2021. The fees for commercial and supplemental residential services are collected directly by the franchise holder.

Recycled Water Storage and Distribution - The CAWD/PBCSD Reclamation Project (Project) is a cooperative effort of three public agencies including the District, the Carmel Area Wastewater District (CAWD), Monterey Peninsula Water Management District (MPWMD), and one private company, the Pebble Beach Company (PBC). The first phase of the project included construction of tertiary facilities to produce recycled water from the secondary effluent emitted from CAWD's wastewater treatment plant, and a distribution system to deliver recycled water for irrigation of seven golf courses, athletic fields, and other recreational areas within Pebble Beach.

The first phase of the project was financed by Certificates of Participation, which were executed and delivered at the direction of the MPWMD in December 1992 in the amount of \$33.9 million. The PBC guaranteed payment of debt service as well as any operating deficiencies. Construction of the project began in January 1993 and was completed in October 1994. Pursuant to the agreements between participating agencies, the District owns the distribution system assets, including approximately seven miles of recycled water distribution system pipelines, a 2.5 million gallon storage tank, and a potable water pump station.

In December 1998, the District purchased the Forest Lake Reservoir from California-American Water Company (Cal-Am). The reservoir has been rehabilitated including new improvements to meet the State Water Resources Department Division of Safety of Dams requirements. It is filled with recycled water during the winter months when there is excess production at the treatment plant and the stored recycled water is used during the summer months when the irrigation demands exceed the treatment plant production capacity. Construction of the reservoir was completed in March 2006. In fiscal year 2008-09, the

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

outlet structure of the reservoir was modified to increase the storage capacity from 105 million gallons to 115 million gallons. The Forest Lake construction costs were financed by the sale proceeds of a portion of PBC water entitlements obtained in return for financially guaranteeing the first phase of the project. The water entitlements are available to the residential users within Pebble Beach.

After the completion of the first phase, in October 1994, until the addition of the Forest Lake reservoir in to the system in March 2006, an average of 650 acre feet of recycled water per year was used for irrigation. Since then, an average of 950 acre feet has been used, replacing the use of potable water.

Supplemental Law Enforcement - In response to a 2005 community-wide survey conducted by the Del Monte Forest Property Owners (DMFPO) which identified a need for traffic law enforcement, the District obtained approval from the Monterey County Local Agency Formation Commission (LAFCO) and adopted *Ordinance 24* on July 28, 2006 activating law enforcement and security services power authorized under the Government Code. The ordinance specified that, to the extent practical, the services to be implemented on an incremental basis to augment services provided by existing law enforcement agencies sharing jurisdiction within the District and by contract, with traffic enforcement being a priority. Since October 16, 2006, the District has been providing this service through annual contracts with California Highway Patrol (CHP). The cost of the CHP contractual services was \$241,953 in the fiscal year 2020-21.

Undergrounding of Overhead Utilities – In fiscal year 2010-11, the District activated its latent power to convert existing overhead electric and communications facilities to underground locations. A study conducted showed that undergrounding of utility lines would increase public safety and reliability for the entire community. After obtaining the necessary approval from LAFCO, the District Board adopted *Ordinance 26* on June 24, 2011 to implement newly authorized powers to underground utility lines. Beginning in fiscal year 2012-13, the District has been conducting utility undergrounding projects and plans to continue on a “pay-as-you-go” basis. The cost of undergrounding projects was \$1,189,444 in fiscal year 2020-21.

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 separately on *governmental activities*, which normally are supported by taxes and intergovernmental revenues, from *business-type activities*, which mainly rely on fees and charges to provide services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a function. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods or services provided by a

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

function or segment; 2) grants and contributions that are restricted for meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

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 District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenue sources include property taxes, fire service special tax, and Proposition 172 funds. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting.

The District reports the following major governmental funds:

- The *General Fund* is the main operating fund of the District. It accounts for all financial resources of the general government, except those which may be accounted for in another fund.
- The *Capital Outlay Fund* accounts for the construction projects and other capital outlay expenditures included in the District's budget and the long-term capital outlay program.

The District reports the following major proprietary funds:

- The *Wastewater Enterprise Fund* accounts for the collection, treatment, and disposal of wastewater generated within the District. Historically, the District has established user fees to finance a portion of the cost of providing the wastewater service. A portion of the operations, maintenance, and capital outlay expenditures are financed from property tax revenue.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- The *Solid Waste Enterprise Fund* accounts for the activities related to solid waste services provided to residential and commercial users in the District. The user fees collected from residential property owners are used to pay for mandatory basic garbage collection services provided by the franchise holder.
- The *Reclamation Enterprise Fund* accounts for the District's recycled water distribution activities and related operating and capital contributions from the CAWD/PBCSD Reclamation Project.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing goods and services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges for services. Operating expenses for enterprise funds include salaries, employee benefits, operation and maintenance of systems and facilities, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

D. Assets, Liabilities, Net Position or Equity

Cash and Cash Equivalents

In order to increase flexibility and efficiency the District pools the cash of all funds. The cash and cash equivalents balance in each fund represents that fund's equity share of the total. As of June 30, 2021, the largest portion of cash of all funds was deposited with the Monterey County Treasury Investment Pool. Each District fund whose monies are deposited in the pool has equity therein, and interest earned on the investment of these monies is allocated quarterly based on its relative equity.

An individual fund's deposit in the pool can be liquidated at any time and therefore is considered a "cash equivalent" when preparing the financial statements.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as interfund receivables/interfund payables (i.e., the current portion of interfund loans) or advances to/from other funds (the non-current portion of interfund loans). All other outstanding balances between funds are reported as "Due From" (Interfund Receivables) or "Due To" (Interfund Payables). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "Internal Balances."

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are internal service fund charges and charges for services to business-type activities of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Restricted Cash and Investments:

On September 28, 2018, the District Board adopted resolution 18-23 approving adoption of the Public Agencies Pension Benefits Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Code Section 115 trust. The assets in the Trust will be used to fund future pension plan obligations at times determined by the District and will assist the District in mitigating the CalPERS contribution rate volatility.

Capital Assets

Capital assets, which include property, plant, equipment, infrastructure, and intangibles are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost, if purchased or constructed. Donated assets are valued at acquisition value.

Repairs and maintenance are recorded as expenses. Renewals and improvements are capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. No interest was capitalized during the fiscal year ended June 30, 2021.

Capitalized assets have an original cost of \$10,000 or more and a minimum of four years of useful life. Depreciation begins on the date assets are placed in service. Property, plant, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Improvements	10 - 50
Subsurface Lines	50
Other Wastewater System Infrastructure	10 - 40
Wastewater Equipment and Vehicles	4 - 20
Fire Dept Equipment and Vehicles	4 - 20
Administration Equipment	4 - 20
Reclamation Project Assets	4 - 50

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will report a separate section for deferred outflow of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time. In its governmental funds, the only deferred inflow of resources is for revenues that are not considered available. The District will not recognize the related revenues until they are available (collected within 60 days after the end of the District's fiscal year) under the modified accrual basis of accounting. Accordingly, unavailable revenues are reported in the governmental funds balance sheet.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities.

Compensated Absences

The District permits accumulation of earned but unused vacation and sick leave benefits, up to the limits established in its administrative code. The authorized accumulated vacation and sick leave benefits are payable upon separation from employment. The estimated liability for compensated absences represents the accumulated vacation and sick leave benefits of District employees as of June 30, 2021.

Pensions

For purposes of measuring the net pension liability/(asset), deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes, User Fees, and Special Taxes

The County of Monterey is responsible for the assessment, collection, and apportionment of property taxes among all tax-receiving agencies, including the District. The District determines the amount of its user fees and special tax. The County collects the District user fees and special tax on the property tax rolls for the benefit of the District.

Secured property taxes (and District user fees and special taxes) are payable in two equal installments, on November 1 and February 1, and become delinquent on December 10 and April 10, respectively, at which time applicable penalties and interest are assessed.

Unsecured property taxes are due on March 1 and become delinquent on August 31.

Net Position and Fund Balance

In the government-wide financial statements and proprietary fund financial statements, net position is reported in three categories: invested in capital assets, restricted, and unrestricted. Restricted represents assets restricted by parties outside of the District (such as creditors, grantors, contributors, laws and regulations of other governments). All other assets are considered unrestricted.

Fund balance represents the difference between a fund's assets and liabilities. Fund balance classifications are based primarily on the extent to which the District is bound to honor constraints on the use of the resources reported in the governmental funds. Governmental fund balances can be classified as ***Non-spendable, Restricted, Committed, Assigned, and Unassigned.***

The fund balance of the District governmental funds includes "Restricted", "Committed", and "Unassigned" amounts as presented on the balance sheet.

Restricted fund balance has external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose.

Committed fund balance can only be used for the identified specific purposes pursuant to constraints imposed by a formal action (motion) of the District's Board. Those amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

Unassigned fund balance represents remaining amounts that have not been restricted, committed or assigned.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and other funds are available, then the District applies amounts to committed fund balances followed by assigned and then unassigned amounts.

The District Board establishes and maintains an O&M Reserve through approval of the District's Long-Term Financial Plan. The O&M Reserve is set at 10% of the current year O&M Budget, and every year upon adoption of the final budget, the amount in the O&M Reserve is adjusted to meet the 10% criteria by transferring the necessary amount from the General Fund. This reserve is to be used in the event of a natural disaster; catastrophic or other unforeseen events. If the O&M Reserve is used during a fiscal year, it is replenished as soon as sufficient revenue is available.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes 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.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

Subsequent events have been evaluated through December 3, 2021, which is the date the financial statements were available to be issued.

Effects of New Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements:

In January 2017, GASB issued Statement No. 84, Fiduciary Activities. The requirements of this Statement are effective for financial statements starting with the fiscal year that ends June 30, 2021 (updated by GASB 95). This statement had no effect on the District's financial statements.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In August 2018, GASB issued Statement No. 90 Majority Equity Interests – An Amendment of GASB Statement No. 14 and No. 61. The requirements of this Statement are effective for reporting periods starting with the fiscal year that ends June 30, 2021 (updated by GASB 95). This statement had no effect on the District's financial statements.

In October 2021, GASB issued Statement No. 98 The Annual Comprehensive Financial Report. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. The requirements of this Statement are effective for reporting periods starting with the fiscal year ending June 30, 2022. The District early implemented this standard and incorporated the change in its financial statement reporting.

Statements Issued but not yet Effective

The Governmental Accounting Standards Board (GASB) released the following standards which are not yet effective. The impact to the District's future financial reporting requirements is unknown at this time.

In June 2017, GASB issued Statement No. 87, Leases. The requirements of this Statement will take effect for financial statements with reporting periods starting with the fiscal year that ends June 30, 2022 (updated by GASB 95).

In June 2018, GASB issued Statement No. 89, Accounting for Interest Cost incurred before the End of a Construction Period. The requirements of this Statement are effective for reporting periods starting with the fiscal year that ends June 30, 2022 (updated by GASB 95).

In May 2019, GASB issued Statement No. 91 Conduit Debt Obligations. The requirements of this statement will take effect for reporting periods starting with the fiscal year that ends June 30, 2023 (updated by GASB 95).

In January 2020, GASB issued Statement No. 92 Omnibus 2020. The requirements of this Statement are effective for reporting periods starting with the fiscal year that ends June 30, 2022 (updated by GASB 95).

In March 2020, GASB issued Statement No. 93 Replacement of Interbank Offered Rates. The requirements of this Statement are effective for reporting periods starting with the fiscal year that ends June 30, 2022 (updated by GASB 95).

In March 2020, GASB issued Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The requirements of this Statement are effective for reporting periods starting with fiscal year that ends June 30, 2023.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In May 2020, GASB issued Statement No. 96 Subscription-Based Information Technology Arrangements. The requirements of this Statement are effective for reporting periods starting with the fiscal year ending June 30, 2023.

In June 2020, GASB issued Statement No. 97 Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The requirements of this Statement are effective for reporting periods starting with the fiscal year ending June 30, 2022.

Earlier application of these statements is encouraged. At this time, the District has no plan for early implementation of these statements. For the original pronouncements, please visit GASB's website, www.gasb.org.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Amounts reported in the government-wide financial statements are different from those reported in the fund financial statements due to differences in measurement focus, basis of accounting, and composition. The governmental fund balance sheet includes a reconciliation between *total fund balance-governmental funds* and *net position of governmental activities* as reported in the government-wide statement of net position. Also, the governmental fund statement of revenues, expenditures, and changes in fund balances include a reconciliation between the *net change in fund balances-total governmental funds* and *change in net position of governmental activities* as reported in the government-wide statement of activities.

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The District Board adopts an annual budget by resolution by August 1 of each fiscal year. The budget covers all governmental and proprietary funds including capital projects. All appropriations for operating expenditures lapse at fiscal year end. The appropriations for capital outlays not completed in the current fiscal year are normally carried forward to the next fiscal year. Encumbrance accounting is not used. The budget is prepared on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles.

The District Board also annually updates its long-term capital outlay program and long-term financial plan for both governmental and business-type activities. These documents identify anticipated capital expenditures and include proposed financing mechanisms. The level of appropriated budgetary control is the adopted budget for all funds and programs and includes all revisions and amendments approved by the District Board subsequent to the initial adoption. The budget may be amended throughout the year with the Board's

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

authorization, as needs are identified and reported to the Board.

The District General Manager may authorize transfers of appropriations within a fund, however any revisions altering the total expenditures of any fund and transfers of appropriations between funds, require the approval of the District Board.

In accordance with GASB Statement No. 34, only the general fund budget is presented in the basic financial statements.

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2021 consisted of the following:

Cash on hand	\$ 361
Deposits with financial institutions – Chase Bank	300,478
Monterey County investment pool	<u>26,600,147</u>
Total cash and cash equivalents	<u>\$ 26,900,986</u>

Fair Value

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are Level 1.

Investments Authorized by the California Government Code and the District Investment Policy

The District currently invests the majority of its funds in the local government investment pool administered by Monterey County. Investments are limited to those instruments legally permitted under Section 53601 of the California Government Code, and must meet the criteria of the Monterey County Treasury's Investment Policy. Statutes authorize the County to invest in U.S. Treasury obligations, U.S. Agency securities, corporate bonds rated "A" or its equivalent or better by a nationally recognized statistical rating organization, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, reverse repurchase agreements, money market funds, governmental investment pools such as California Asset Management Program (CAMP), CalTrust, and the State Local Agency Investment Fund (LAIF), mortgage-based or asset-backed securities, and U.S. dollar denominated senior unsecured unsubordinated obligations issued or guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, and eligible for purchase and sale within the United States, with certain limitations on the amounts and maturities.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

4. CASH AND CASH EQUIVALENTS (Continued)

The County Treasury actively manages the pool portfolio that has an amortized book value of \$2,208,759,362 as of June 30, 2021. The County investment policy is reviewed and approved annually by the County Board of Supervisors. The Treasury's compliance with the investment policy and the State law is also audited annually by an independent certified public accountant. A minimum of 30% of the portfolio are kept in assets with a maturity of one year or less to provide liquidity. The liquidity is composed of cash in commercial bank accounts, overnight investments, short-term money market instruments, and other governmental investment pools. This degree of liquidity assures that funds are always available to meet normal *and* unexpected cash demands without the need to sell other investments that could result in a loss due to market conditions. The pool investment portfolio maintains a maximum weighted average maturity of two years, exclusive of custom investments.

The fair value of participants' position in the County's investment pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage at the date of such withdrawal.

The District staff is authorized to invest up to \$7 million in a separate custom investment portfolio to be maintained by the Monterey County Treasury outside of the Monterey County pool. Any single instrument that is purchased for the custom portfolio must be in compliance with the type, maximum maturity and maximum percentage limitations established by the Monterey County investment policy. The weighted average maturity cannot exceed three years and the investments other than obligations of the U.S. Treasury are limited to \$3.5 million for the custom portfolio. As of June 30, 2021, the District does not have a custom portfolio kept outside the Monterey County pool.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2021, the weighted average maturity of the Monterey County investment portfolio is 604 days and approximately 41% of the portfolio was invested in liquid funds maturing in one year or less.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Monterey County investment pool does not have a rating provided by a nationally recognized statistical rating organization. Approximately 84% of the investment portfolio is comprised of U.S. Treasuries, Federal Agency securities, negotiable certificates of deposit (CDs), and other liquid funds.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

4. CASH AND CASH EQUIVALENTS (Continued)

U.S. Treasuries are not specifically rated, but are considered the safest of all investments. All corporate debt is rated in the higher levels of investment grade and all Federal Agency and Municipal holdings have AA ratings. The Supranational securities are rated AAA. The credit quality of the Treasurer's portfolio continues to be high.

Concentration of Credit Risk

The Monterey County Treasurer shall limit the investments in any single issuer, regardless of the combination of asset class, to no more than 5% of the portfolio's book value on the date of the transaction, unless otherwise permitted in the County Treasury investment policy. Obligations of the U.S. Treasury, federal agencies, supranationals, and pooled investments such as LAIF, CAMP, CalTrust, and money market funds are exempted from this restriction.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the provision which requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The District also maintains a checking account with Chase Bank and uses this account as the operating account for the District. As of June 30, 2021, the District has \$772,211 on deposit with Chase Bank, including \$523,099 for pending payments. The deposits at Chase Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to the amount of \$250,000. The deposits are also collateralized at 110% by U.S. Treasury obligations and Municipal securities by the pledging bank's trust department not in the District's name.

5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables are amounts due representing revenues earned or accrued in the current period. Receivables which have not been remitted within 60 days subsequent to year end are offset by deferred inflows of resources, and accordingly have not been recorded as revenue in the governmental fund. When the revenue becomes available, the revenue is recognized in the governmental fund. Deferred inflows are detailed on the balance sheet.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES (Continued)

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. The allowance is based on an assessment of the current status of individual accounts. As of June 30, 2021, the District had no allowance for doubtful accounts.

Receivables at June 30, 2021 for the District's individual funds are presented on the following two tables. All receivables are expected to be collected within one year.

Governmental Activities			
Receivables	General	Capital	Total
Accounts	\$ 391,202	\$ 51,609	\$ 442,811
Taxes: Property & Fire Service	799,679	-	799,679
Net Receivables	<u>\$ 1,190,881</u>	<u>\$ 51,609</u>	<u>\$ 1,242,490</u>

Business-Type Activities				
Receivables	Wastewater	Solid Waste	Reclamation	Total
Accounts	\$ 17,152	\$ -	\$ 316,764	\$ 333,916
Taxes & Service Charges	176,838	12,061	-	188,899
Net Receivables	<u>\$ 193,990</u>	<u>\$ 12,061</u>	<u>\$ 316,764</u>	<u>\$ 522,815</u>

Deferred Inflows

As of June 30, 2021, the following revenues reported under the "Governmental Activities" are not considered to be available to liquidate liabilities of the current period (60 days) and therefore are classified as deferred inflows. Deferred inflows related to pensions are reported separately in Note 12 - Employee Retirement Systems according to GASB 68 standards.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES (Continued)

The following table displays the District's deferred inflows on June 30, 2021.

Source	General Fund
Taxes: Property & Fire Service	\$ 799,679
Total Deferred Inflows	\$ 799,679

6. INTERFUND TRANSACTIONS

The interfund receivables and payables represent cash deposited to one fund belonging to another fund. As of June 30, 2021, the District's interfund receivables and payables consist of the following:

Fund	Interfund Receivable	Interfund Payable
General	\$ 50,161	\$ -
Reclamation - Operations	-	(50,161)
Total	\$ 50,161	\$ (50,161)

The District transfers current financial resources from one fund to another upon approval of the Board. In fiscal year 2020-21, transfers from the General Fund to the Governmental Capital Outlay Fund (\$4,781,075) and to the Wastewater Capital Outlay Fund (\$902,944); were made to maintain the capital outlay reserves at levels identified in the annual update of the District's Long-Term Capital Outlay and Financial Plans. A transfer of \$13,756 was made from the General Fund franchise fee revenue to the Solid Waste Fund to finance the household hazardous waste collection event and contributions to a regional media coalition to promote recycling programs.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

6. INTERFUND TRANSACTIONS (Continued)

The following table displays the interfund transaction activity for the general fund during FY 2020-21.

<u>Fund Transferred From</u>	<u>Funds Transferred To</u>				<u>Total</u>
	<u>Governmental Funds</u>		<u>Proprietary Funds</u>		
	<u>General</u>	<u>Capital Outlay</u>	<u>Wastewater</u>	<u>Solid Waste</u>	
<i>Governmental Funds</i>					
General Fund	\$ -	\$ 4,781,075	\$ 902,944	\$ 13,756	\$ 5,697,775
Total	\$ -	\$ 4,781,075	\$ 902,944	\$ 13,756	\$ 5,697,775

7. RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments consisted of the Public Agencies Pension Benefits Post-Employment Trust (Internal Revenue Code Section 115 Trust). Investments of Trust assets are governed by the Investment Guideline Document and by the agreement for administrative services with Public Agency Retirement Services (PARS). Under the agreement, US Bank serves as the Trustee and the depository of the assets. HighMark Capital Management (HighMark) serves as the Investment Manager. The District elected a discretionary investment approach which allows it to maintain oversight of the investment management, and control on target yield and the portfolio's risk tolerance, under the HighMark Capital Appreciation investment option.

The fair value of restricted cash and investments as of June 30, 2021 consisted of the following:

Cash and equivalents	\$ 13,029
Mutual funds-Fixed income	418,929
Mutual funds-Equity	<u>1,691,946</u>
Total restricted cash and investments	<u>\$ 2,123,904</u>

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

8. CAPITAL ASSETS

A. Capital Assets – Governmental Activities

Changes in capital assets for governmental activities for the year ended June 30, 2021 were as follows:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Ending Balance</u>
Capital Assets not being depreciated					
Land	\$ 1,371,224	\$ -	\$ -	\$ -	\$ 1,371,224
Construction in Progress	8,259	498,869	-	-	507,128
Total Capital Assets not being depreciated	1,379,483	498,869	-	-	1,878,352
Capital Assets being depreciated					
Buildings	4,568,367	18,888	-	-	4,587,255
Infrastructure	138,712	-	-	-	138,712
Machinery & Equipment	5,179,364	52,669	-	-	5,232,033
Total Capital Assets being depreciated	9,886,443	71,557	-	-	9,958,000
Less accumulated depreciation for:					
Buildings	(2,898,673)	(138,138)	-	-	(3,036,811)
Infrastructure	(49,652)	(4,624)	-	-	(54,276)
Machinery & Equipment	(3,872,787)	(257,687)	-	-	(4,130,474)
Total accumulated depreciation	(6,821,112)	(400,449)	-	-	(7,221,561)
Net Capital Assets being depreciated	3,065,331	(328,892)	-	-	2,736,439
Total Net Capital Assets					
- Governmental Activities	\$ 4,444,814	\$ 169,977	\$ -	\$ -	\$ 4,614,791

Depreciation was charged to functions/programs of governmental activities for the year ended June 30, 2021 as follows:

Depreciation Expense	
General Government	\$ 91,067
Fire Protection & Emergency Medical Services	309,382
Total Depreciation Expense Governmental Activities	\$ 400,449

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

8. CAPITAL ASSETS (Continued)

B. Capital Assets – Business-Type Activities

Changes in capital assets for business-type activities for the year ended June 30, 2021 were as follows:

Business Type Activities	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital Assets not being depreciated / amortized					
Land	\$ 2,854,000	\$ -	\$ -	\$ -	\$ 2,854,000
Construction in Progress	1,069,083	1,146,863	-	(436,992)	1,778,954
Total Capital Assets not being depreciated / amortized	3,923,083	1,146,863	-	(436,992)	4,632,954
Capital Assets being depreciated / amortized					
Buildings	1,794,281	-	-	-	1,794,281
Utility Systems	62,052,997	112,987	-	436,992	62,602,976
Machinery & Equipment	1,901,179	505,667	(194,437)	-	2,212,409
Total Capital Assets being depreciated / amortized	65,748,457	618,654	(194,437)	436,992	66,609,666
Less accumulated depreciation / amortization for:					
Buildings	(920,544)	(61,024)	-	-	(981,568)
Utility Systems	(31,112,944)	(1,530,045)	-	-	(32,642,989)
Machinery & Equipment	(1,522,879)	(95,818)	194,437	-	(1,424,260)
Total accumulated depreciation / amortization	(33,556,367)	(1,686,887)	194,437	-	(35,048,817)
Net Capital Assets being depreciated / amortized	32,192,090	(1,068,233)	-	436,992	31,560,849
Total Net Capital Assets- Business-Type Activities	\$ 36,115,173	\$ 78,630	\$ -	\$ -	\$ 36,193,803

Depreciation was charged to functions/programs of business-type activities for the year ended June 30, 2021 as follows:

Depreciation / Amortization Expense	
Wastewater	\$ 968,663
Reclamation	718,224
Total Depreciation/Amortization Business-Type Activities	\$ 1,686,887

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

9. LONG-TERM LIABILITIES

Compensated Absences

The District's employees can accrue a maximum of 30 vacation and 150 sick leave days during their employment. Accrued vacation leave and one-half of the sick leave are payable at the regular hourly rate upon separation from service without cause.

Retirement Incentives

In May 2020, the Board authorized the General Manager to offer a voluntary Retirement Incentive Plan to four qualified employees, who worked at the District for a minimum of five years, and meet the minimum CalPERS retirement age of 55. The plan includes the options to 1) Receive a cash payment equivalent to one year of salary, or 2) an option to receive up to three years of continued health insurance coverage under the California Consolidated Omnibus Budget Reconciliation Act programs (COBRA), with a reduction in the annual salary payment based on the number of months of COBRA provided. The annual salary payment was offered in lump-sum payment or in three annual installments. All four employees accepted the offer and retired by the end of the fiscal year 2020-21. The estimated cost of the plan payments, reported in the government-wide statement of net position by function is \$348,875. The District used a discount rate of 1.6% to estimate the effect of making the cash payments over the three-year period. In addition, a healthcare cost trend rate of 4% was used when considering future medical benefits cost inflation.

Net Pension Liability/(Asset)

Net pension liability/(asset) is the difference between the total pension liability and the assets (valued at fair value) set aside to pay benefits earned to employees. The District's total pension liability/(asset) is determined by CalPERS based on various actuarial assumptions.

Asset valuations vary annually based on market conditions. The District's net pension liability/(asset) has been reported in detail in Note 12 - Employee Retirement Systems.

The general fund has been used in prior years to liquidate compensated absences and net pension liabilities.

The table on the next page is a summary of changes in compensated absences, retirement incentives and net pension liabilities for the fiscal year ended June 30, 2021.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

9. LONG-TERM LIABILITIES (Continued)

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021	Due within One Year
Governmental Activities:					
Compensated Absences	\$ 288,775	\$ 127,391	\$ (210,497)	\$ 205,669	\$ 57,204
Retirement Incentives	-	150,504	-	150,504	75,131
Net Pension (Asset) / Liability	30,961	333,379	(243,186)	121,154	-
Total	<u>\$ 319,736</u>	<u>\$ 611,274</u>	<u>\$ (453,683)</u>	<u>\$ 477,327</u>	<u>\$ 132,335</u>
Business-Type Activities:					
Compensated Absences	\$ 127,810	\$ 55,919	\$ (142,999)	\$ 40,730	\$ 25,143
Retirement Incentives	-	198,371	-	198,371	99,589
Net Pension (Asset) / Liability	3,226	166,140	(119,438)	49,928	-
Total	<u>\$ 131,036</u>	<u>\$ 420,430</u>	<u>\$ (262,437)</u>	<u>\$ 289,029</u>	<u>\$ 124,732</u>

10. COMMITMENTS AND CONTINGENCIES

Capital Outlay and Project Commitments

The District has a number of projects currently underway. The following table provides a list of the ongoing projects and the commitments under the contracts as of June 30, 2021:

CAPITAL OUTLAYS / PROJECTS	Cumulative Expenditures as of June 30, 2021	Remaining Commitment
Undergrounding Overhead Utilities Projects Phase 3	\$ 1,139,957	\$ 4,466,463
Wastewater Pump Stations P1 to P7 SCADA System Improvements	33,395	663,345
Wastewater Collection System CCTV Inspection & Assessment Project	124,486	45,153
Total	<u>\$ 1,297,838</u>	<u>\$ 5,174,961</u>

Undergrounding Overhead Utilities Projects Phase 3

On March 28, 2014, the District entered into a \$233,000 agreement with Wallace Group for engineering consulting and construction management services related to Phase 2 of the Undergrounding Overhead Utilities Project. In the fiscal years 2015-16 through 2018-19, the Board approved additional contract amendments totaling \$379,000 to complete Phase 2

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

10. COMMITMENTS AND CONTINGENCIES (Continued)

related engineering services and begin design for Phase 3. On February 26, 2021, the Board approved an additional \$241,000 contract amendment to provide Phase 3 construction support services. Of the \$853,000 total revised contract amount, \$198,000 is an outstanding commitment of the District on June 30, 2021.

On February 26, 2021, the Board approved a \$5,083,000 contract with Leo Tidwell Excavating Corporation to provide Phase 3 construction services. In April 2021, the contract was increased to \$5,195,000, due to a material cost change triggered by an update to PG&E's material standards for underground conduits. Of the total contract amount, \$4,269,000 is an outstanding commitment of the District on June 30, 2021.

Wastewater SCADA Systems Improvements Project at Pump Stations P1 (Cypress Point), P2 (Fanshell Beach), P3 (Seal Rock), P4 (Highway 68), P5 (Sunset Lane), P6 (Pescadero Point) and P7 (18th Pebble Beach Golf Links)

In January 2021, the Board approved project assignment 44 in the amount of \$462,000 with E2 Consulting Engineers, Inc. to provide engineering services for the SCADA Improvements project at sewer pump stations P1 through P7. Engineering services include engineering design, equipment installation, field testing and start-up. Of the total contract amount, \$429,000 is an outstanding commitment of the District on June 30, 2021. In the same month, the Board also authorized acquisition of related materials and equipment in the amount of \$235,000, of which \$234,000 remains an outstanding commitment of the District on June 30, 2021.

Wastewater Collection System Assessment Project

In May 2019, the District entered into a \$120,000 agreement with Wallace Group to provide engineering services related to the 2019-20 Wastewater Collection System Assessment Project. The contractor retained for this project, Professional Pipe Services, completed the inspection of approximately 60% of the gravity mains and manholes in May 2021. In June 2021, the contract with Wallace Group was increased to \$170,000 to integrate changes identified by contractor into the District GIS system, and identify the priorities for future Sewer Line and Manhole Replacement Projects. Of the total contract amount, \$45,000 is an outstanding commitment of the District on June 30, 2021.

11. RISK MANAGEMENT

The District is insured against various risks of loss related to torts, theft, damage or destruction of assets, errors or omissions, and work-related injuries to employees through participation in a joint powers agreement with the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA).

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

11. RISK MANAGEMENT (Continued)

ACWA/JPIA was formed under a joint powers agreement pursuant to California Government Code Section 6500 et seq. and 900 et seq. effective July 5, 1979 to provide insurance protection for its members. The property, general liability and workers' compensation programs are ACWA/JPIA's pooled programs. According to the agreement, the member districts are provided coverage for losses in excess of their individually selected retrospective allocation points, which are similar to a deductible. A portion of the excess is self-insured by ACWA/JPIA where all members share the losses. Individual claims (and aggregate public liability and property claims) in excess of ACWA/JPIA's self-insured levels are covered by excess insurance policies purchased from outside commercial insurance carriers. ACWA/JPIA maintains a retrospective adjustment stabilization fund (RSF) with separate accounts for each member district. Based on its level of RSF, a member district may receive a refund or additional assessment annually.

The difference in conditions (DIC), dam failure liability and excess employee fidelity bonds are not pooled programs. These coverages are provided by ACWA/JPIA through purchases from commercial insurance carriers. Dam failure liability insurance covers the District for liabilities resulting from a failure of the Forest Lake Reservoir. The DIC program provides coverage for certain Reclamation Project assets mainly against earthquake damage. The property insurance program includes a \$100,000 employee fidelity coverage. The District carries a separate employee fidelity insurance, which provides \$500,000 of coverage with a \$100,000 deductible.

There have not been any reductions in insurance coverage as compared to the previous year.

12. EMPLOYEE RETIREMENT SYSTEMS

A. Defined Benefit Pension Plan

California Public Employees Retirement System

Plan Description – All qualified regular employees, including those with introductory status, are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans 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

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

retire at age 50 or 52 with statutorily reduced benefits depending on the entry date to system as shown on the following table. All members are eligible for non-duty disability benefits after 10 years of service. Death benefit are one of the following: Basic Death Benefit, 1957 Survivor Benefit, or Optional Settlement 2W Death Benefit. The plans' cost of living adjustments are as specified by the Public Employees' Retirement Law.

On September 12, 2012, the California Public Employees' Pension Reform Act of 2013 (PEPRA) was signed into law. PEPRA took effect January 1, 2013 and affects new CalPERS members on or after January 1, 2013 through provisions affecting benefit formulas, the definition of what comprises pensionable earnings, limits on pensionable earnings, and other matters. The new law also calls for new members to pay 50 percent of the normal cost of benefits.

The Plans' provisions and benefits in effect at June 30, 2021 are summarized as follows:

PEBBLE BEACH COMMUNITY SERVICES DISTRICT		
CalPERS		
Provisions and Benefits		
	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.5%
Required employer contribution rates	14.054%	8.239%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires the employer contribution rates for all public employers to be determined on an annual basis by the actuary and 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 District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2021, the contributions recognized as part of pension expense for each Plan were as follows:

		Miscellaneous
Contributions - employer	\$	206,169

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

As of June 30, 2021, the District's proportionate shares of pool assets equates to 97.47% of its proportional shares of liabilities, resulting in a net pension liability displayed in the following table:

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous	\$ 171,082

The net pension liability/(asset) of each of the Plans is measured as of June 30, 2020, and the total pension liability/(asset) for each Plan used to calculate the net pension liability/(asset) was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability/(asset) was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability/(asset) for each Plan as of June 30, 2020 and 2021 was as follows:

	Miscellaneous
Proportion - June 30, 2020	0.00085%
Proportion - June 30, 2021	0.00406%
Change - Increase/(Decrease)	0.00321%

For the year ended June 30, 2021 the District recognized a pension expense of \$425,471. Pension expense is allocated to the District's governmental and business-type activities based on each activity's proportionate share of the total current year pension contribution.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PEBBLE BEACH COMMUNITY SERVICES DISTRICT		
Deferred Outflows and Deferred Inflows of Resources Related to Pensions		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 8,816	
Changes of Assumptions		\$ 1,220
Differences between Projected and Actual Investment Earnings	5,082	
Change in Employers Proportion	196,648	
Differences between Employer's Contributions and Proportionate Share of Contributions		98,234
Pension Contributions Made Subsequent to Measurement Date	227,069	-
Total	\$ 437,615	\$ 99,454

The \$227,069 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 ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,		
2022	\$	78,877
2023	\$	20,082
2024	\$	9,696
2025	\$	2,438

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Actuarial Methods and Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June, 30 2019
Measurement Date	June, 30 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies.

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016.

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The following table reflects long-term expected real rates of return by asset class. The rates of return were calculated using the capital market assumptions applied to determine the discount rate.

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100.0%		

(a) An expected inflation of 2.0% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate – The following presents the District’s proportionate share of the net pension liability/(asset) for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability/(Asset)	\$ 1,069,200
Current Discount Rate	7.15%
Net Pension Liability/(Asset)	\$ 171,082
1% Increase	8.15%
Net Pension Liability/(Asset)	\$ (571,002)

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2021

12. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

B. Supplemental Retirement Plan

The supplemental retirement plan was established in December 1990, to replace the employees’ Social Security benefits (retroactively effective January 1, 1985). Under the plan, an amount equal to the Social Security portion of the Federal Insurance Contribution Act (FICA) contributions is withheld from employee wages and submitted with matching employer contributions, to fund the benefits of the plan. Benefits include individual retirement investment accounts and group disability insurance. Employees manage their own individual retirement investment accounts maintained at Charles Schwab and Co. (Schwab). The District’s administrative involvement is primarily limited to the remittance of monthly employee and employer contributions to Schwab. The District has no responsibility for providing specific benefits, nor does it guarantee any investment results under the plan. All plan assets are the property rights of the employees and, as such are not reflected in the accompanying basic financial statements.

The District’s employees continue to be covered by Medicare by depositing the employee and matching employer contributions with the Internal Revenue Service.

C. Retirement Health Savings Plan:

The District has a retirement health savings (RHS) plan, provided by MissionSquare Retirement, to assist employees with healthcare costs during their retirement. The RHS Plan allows employees to accumulate money in their own individual accounts on a tax-free basis while they are working. The RHS Plan is financed jointly by the employee and employer contributions. Employees contribute 1% of their regular salary monthly in to their own individual accounts on a tax-free basis. The District’s monthly contribution is equal to 2% of the total regular salaries, which is equally distributed to all employees. In fiscal year 2020-21 the total employer contributions to the plan were \$33,625. The assets in the individual accounts grow tax-free. The funds accumulated can be used to pay for employees or their dependents’ health insurance or medical expenses on a tax-free basis when separated from employment. The District has no responsibility for providing specific benefits, nor does it guarantee any investment results under the plan. All plan assets are the property and rights of the employees and, as such are not reflected in the accompanying basic financial statements.

Right: Carmel Hill fire station's new Medic Engine 28, currently being custom manufactured to best serve the Pebble Beach and Cypress Fire Protection District areas, is expected to be delivered in early 2022. Both Districts equally shared the engine's cost.



REQUIRED SUPPLEMENTARY INFORMATION



Left: District Maintenance Technician Kelvin Ellison is ready to tackle the task of maintaining the District's sewer lines using the District's new combination jetter / vacuum line cleaning truck PB-2.

In FY 2020-21 the maintenance crew cleaned nearly 27 miles of sewer main.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY/(ASSET)
Last 10 Years*
FOR THE YEAR ENDED JUNE 30, 2021
MISCELLANEOUS PLAN

<u>Measurement Period</u>	<u>Proportion of the net pension liability/(asset)</u>	<u>Proportionate share of the net pension liability/(asset)</u>	<u>Covered payroll</u>	<u>Proportionate share of the net pension liability/(asset) as percentage of covered payroll</u>	<u>Plan's fiduciary net position</u>	<u>Plan fiduciary net position as a percentage of the total pension liability/(asset)</u>
2014	0.00797%	\$496,117	\$1,185,243	41.86%	\$10,639,461,174	81.15%
2015	0.00454%	\$124,765	\$1,184,961	10.53%	\$10,896,036,068	79.89%
2016	0.00977%	\$339,236	\$1,300,292	26.09%	\$10,923,476,287	75.87%
2017	-0.00020%	(\$7,783)	\$1,442,993	-0.54%	\$12,074,499,781	75.39%
2018	-0.00194%	(\$73,211)	\$1,571,036	-4.66%	\$13,122,440,092	77.69%
2019	0.00085%	\$34,187	\$1,553,970	2.20%	\$13,979,687,268	77.73%
2020	0.00406%	\$171,082	\$1,706,731	10.02%	\$14,702,361,183	77.71%

Notes to Schedule:

Changes in Benefit Terms

2015: The figures do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

2016 - 2020: There were no changes to benefit terms that applied to all members of the Public Agency Pool.

Change of Assumptions and Methods

2015: Amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

2016: The discount rate was increased from 7.5% to 7.65% resulting from eliminating the 15 basis-point reduction for administrative expenses.

2017: The discount rate was lowered from 7.65% to 7.15%.

2018: The inflation assumption was reduced from 2.75% to 2.50%.

The CalPers Board adopted new mortality assumptions for plans participating in the Public Employees' Retirement Fund (PERF).

The new mortality table was developed from the December 2017 experience study and includes 15 years of projected ongoing mortality improvement using 90% of scale MP 2016 published by the Society of Actuaries.

The assumptions for individual salary increases and overall payroll growth were reduced from 3.00% to 2.75%.

2019: In the Fiscal Year 2018-19, CalPers implemented a new actuarial valuation software system for the June 30, 2018 valuation. This new system has refined and improved calculation methodology.

2020: The CalPers Board adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. In FY 2019-20, no changes have occurred to the actuarial assumptions in relations to financial reporting.

* Information in this schedule is not available prior to 2014. Additional years will be added to this schedule in future fiscal years until 10 years of data becomes available.

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
SCHEDULE OF CONTRIBUTIONS
Last 10 Years*
FOR THE YEAR ENDED JUNE 30, 2021
MISCELLANEOUS PLAN**

Fiscal Year	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contributions	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2015	\$209,596	\$709,596	(\$500,000)	\$1,184,961	59.88%
2016	\$156,723	\$156,723	\$0	\$1,300,292	12.05%
2017	\$163,320	\$613,320	(\$450,000)	\$1,442,993	42.50%
2018	\$176,436	\$176,436	\$0	\$1,571,036	11.23%
2019	\$182,346	\$188,313	(\$5,967)	\$1,553,970	12.12%
2020	\$203,211	\$206,172	(\$2,961)	\$1,706,731	12.08%
2021	\$208,189	\$227,069	(\$18,880)	\$1,683,031	13.49%

Notes to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions from the fiscal years below derived from the following valuation reports:

Fiscal Year	Derived From
2014-15	June 30, 2012
2015-16	June 30, 2013
2016-17	June 30, 2014
2017-18	June 30, 2015
2018-19	June 30, 2016
2019-20	June 30, 2017
2020-21	June 30, 2018

Actuarial Cost Method	Individual entry age normal
Amortization Method/Period	Level percentage of payroll and direct rate smoothing
Asset Valuation Method	Fair value of assets
Inflation	2.500%
Salary Increases	Varies, based on entry age and service
Investment Rate of Return	7.15%

* Fiscal year 2015 was the first year of implementation, additional years will be added to this schedule in future fiscal years until 10 years of data becomes available.



SUPPLEMENTAL INFORMATION



Household Hazardous Waste Annual Collection Event

A free and convenient drive-through recycling event is hosted annually by the District, assisting residents to safely rid dangerous toxic clutter and pharmaceuticals from their households.

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Governmental Capital Outlay Fund
For the Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment Income	\$ 85,000	\$ 85,000	\$ 55,670	\$ (29,330)
Total Revenues	<u>85,000</u>	<u>85,000</u>	<u>55,670</u>	<u>(29,330)</u>
EXPENDITURES				
Capital Outlay:				
General Government	135,000	135,000	24,775	110,225
Fire Protection and Emergency Medical	730,000	730,000	545,651	184,349
Police Protection / Security	20,000	20,000	-	20,000
Undergrounding Utilities	<u>5,100,000</u>	<u>5,600,000</u>	<u>1,189,444</u>	<u>4,410,556</u>
Total Expenditures	<u>5,985,000</u>	<u>6,485,000</u>	<u>1,759,870</u>	<u>4,725,130</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(5,900,000)</u>	<u>(6,400,000)</u>	<u>(1,704,200)</u>	<u>4,695,800</u>
OTHER FINANCING SOURCES (USES)				
Transfers In, Net of Transfers Out	<u>2,935,000</u>	<u>3,435,000</u>	<u>4,781,075</u>	<u>1,346,075</u>
Total Other Financing Sources (Uses)	<u>2,935,000</u>	<u>3,435,000</u>	<u>4,781,075</u>	<u>1,346,075</u>
Net Change in Fund Balances	(2,965,000)	(2,965,000)	3,076,875	6,041,875
Fund Balances, Beginning of Year	<u>5,180,557</u>	<u>5,180,557</u>	<u>5,180,557</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 2,215,557</u>	<u>\$ 2,215,557</u>	<u>\$ 8,257,432</u>	<u>\$ 6,041,875</u>



STATISTICAL SECTION

2020 Wastewater Collections System Assessment Project

In FY 2020-21, the District completed the initial phase of a condition assessment of its sewer collection lines by Closed Circuit TV inspection. During the assessment, discovery of damaged lines led to necessary repairs as portrayed in the before and after pictures above.

STATISTICAL SECTION

This part of the Pebble Beach Community Services District annual comprehensive financial report presents detailed information to help readers understand what the information in the financial statements and note disclosures reveal about the District's overall financial health. In contrast to the financial section, information in the statistical section is not subject to an independent audit.

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

- a) Net Position by Component – Last ten fiscal years
- b) Changes in Net Position – Last ten fiscal years
- c) Fund Balances of Governmental Funds – Last ten fiscal years
- d) Change in Fund Balances of Governmental Funds – Last ten fiscal years
- e) Revenue Sources by type – Last ten fiscal years
- f) Expenses by type – Last ten fiscal years

Revenue Capacity These schedules present the District's most significant local revenue sources, and help the reader assess the District's ability to generate revenues. Property taxes and charges for services are the District's most significant revenue sources.

- a) Assessed Value of Taxable Property – Last ten fiscal years
- b) General Property Tax Levy and Debt Service Tax Rates for Overlapping Governments within PBCSD – Last ten fiscal years
- c) Principal Property Taxpayers - Current fiscal year in comparison to ten years ago
- d) Property Tax Levies and Collection by type – Last ten fiscal years

Debt Capacity The District does not have any debt, therefore, no debt schedules are presented.

Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment in which the District's financial activities take place.

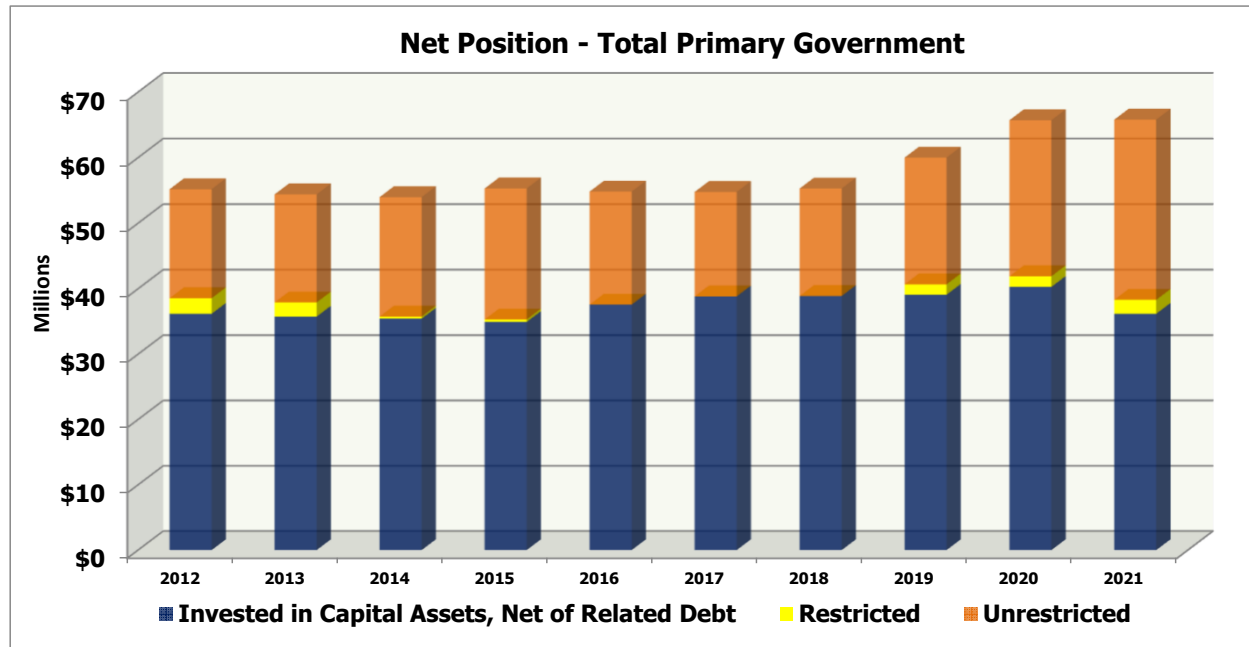
- a) Demographic and Economic Statistics – Last ten years
- b) Principal Employment by Industry (Monterey County) – Current fiscal year in comparison to ten years ago

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

- a) Full-time Equivalent District Employees by Function
- b) Operating Indicators by Function / Program
- c) Capital Asset Statistics by Function / Program
- d) Summary of Capital Assets

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Net Position by Component
Last Ten Fiscal Years (2012 through 2021)
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Invested in Capital Assets	\$ 5,221,076	\$ 5,029,676	\$ 4,830,208	\$ 4,793,237	\$ 5,553,791	\$ 5,356,486	\$ 5,065,821	\$ 4,708,317	\$ 4,420,126	\$ 4,368,014
Restricted	1,888,347	2,015,718	229,046	367,119	-	-	-	1,579,175	1,617,692	2,123,904
Unrestricted	7,022,706	5,646,694	6,456,218	6,561,369	6,877,129	7,712,725	4,623,364	7,326,548	8,904,851	12,896,556
Total Governmental Activities Net Position	\$ 14,132,129	\$ 12,692,088	\$ 11,515,472	\$ 11,721,725	\$ 12,430,920	\$ 13,069,211	\$ 9,689,185	\$ 13,614,040	\$ 14,942,669	\$ 19,388,474
Business-type activities										
Invested in Capital Assets	\$ 30,956,563	\$ 30,711,920	\$ 30,596,651	\$ 30,135,925	\$ 32,018,064	\$ 33,471,219	\$ 33,823,008	\$ 34,372,668	\$ 35,854,567	\$ 35,975,969
Restricted	479,488	143,500	88,326	-	-	-	-	-	-	-
Unrestricted	9,606,665	10,840,640	11,768,483	13,430,921	10,364,131	8,214,583	11,769,649	12,009,586	14,902,812	14,591,713
Total Business-type Activities Net Position	\$ 41,042,716	\$ 41,696,060	\$ 42,453,460	\$ 43,566,846	\$ 42,382,195	\$ 41,685,802	\$ 45,592,657	\$ 46,382,254	\$ 50,757,379	\$ 50,567,682
Primary government										
Invested in Capital Assets	\$ 36,177,639	\$ 35,741,596	\$ 35,426,859	\$ 34,929,162	\$ 37,571,855	\$ 38,827,705	\$ 38,888,829	\$ 39,080,985	\$ 40,274,693	\$ 40,343,983
Restricted	2,367,835	2,159,218	317,372	367,119	-	-	-	1,579,175	1,617,692	2,123,904
Unrestricted	16,629,371	16,487,334	18,224,701	19,992,290	17,241,260	15,927,308	16,393,013	19,336,134	23,807,663	27,488,269
Total Primary Government Net Position	\$ 55,174,845	\$ 54,388,148	\$ 53,968,932	\$ 55,288,571	\$ 54,813,115	\$ 54,755,013	\$ 55,281,842	\$ 59,996,294	\$ 65,700,048	\$ 69,956,156



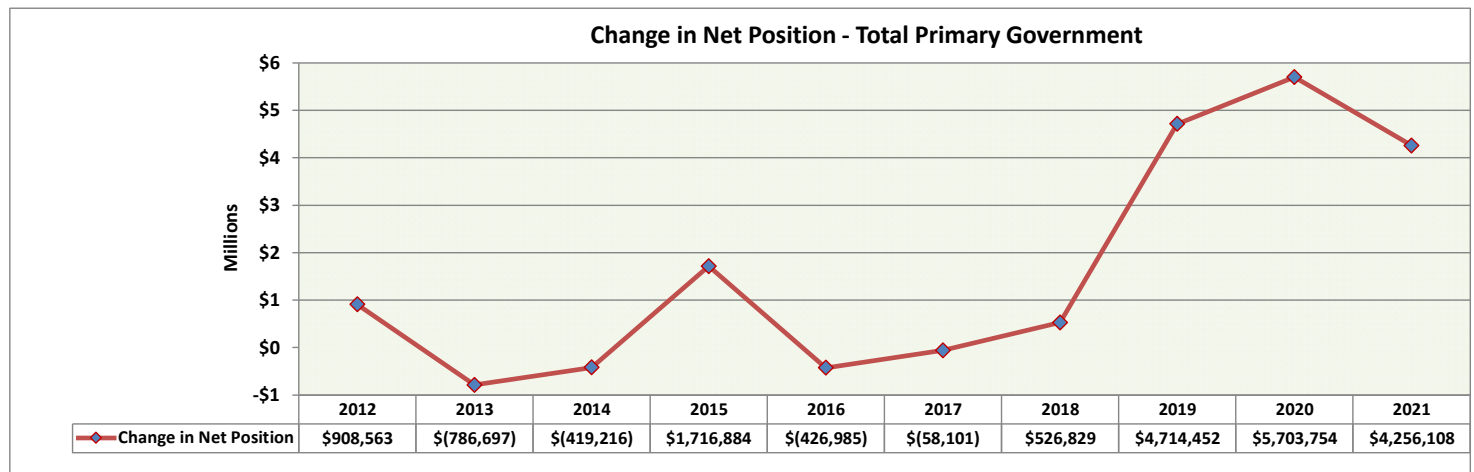
Source: PBCSD Annual Audited Financial Statements

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Changes in Net Position
Last Ten Fiscal Years (2012 through 2021)
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities:										
General Government	\$ 1,814,645	\$ 1,778,898	\$ 1,883,369	\$ 1,752,312	\$ 2,054,022	\$ 2,042,139	\$ 2,127,643	\$ 2,196,765	\$ 2,452,422	\$ 2,659,664
Fire Protection & Emergency Medical	4,718,017	4,877,322	4,759,695	5,399,962	5,489,221	5,698,609	6,092,378	6,685,173	6,667,602	5,966,217
Law Enforcement	164,941	183,703	175,967	171,598	159,066	163,769	205,505	221,924	244,707	260,079
Project Expenses	574,256	2,127,495	2,450,040	119,490	2,994,794	3,415,906	3,303,659	262,939	91,533	1,189,444
Total Governmental Activities Expenses	7,271,859	8,967,418	9,269,071	7,443,362	10,697,103	11,320,423	11,729,185	9,366,801	9,456,264	10,075,404
Business-Type Activities:										
Wastewater	2,724,129	2,883,033	2,810,151	3,067,678	2,979,170	3,218,784	3,034,043	3,349,796	3,606,611	4,155,448
Solid Waste	574,119	596,471	617,188	652,671	727,745	787,668	818,427	838,250	871,294	914,689
Reclamation	1,080,551	1,119,535	1,074,595	1,129,451	1,066,328	849,229	1,042,635	954,702	1,046,485	1,158,743
Total Business-Type Activities Expenses	4,378,799	4,599,039	4,501,934	4,849,800	4,773,243	4,855,681	4,895,105	5,142,748	5,524,390	6,228,880
Total Primary Government Expenses	\$ 11,650,658	\$ 13,566,457	\$ 13,771,005	\$ 12,293,162	\$ 15,470,346	\$ 16,176,104	\$ 16,624,290	\$ 14,509,549	\$ 14,980,654	\$ 16,304,284
Program Revenues										
Governmental Activities:										
Charges for Services:										
Fire Protection & Emergency Medical	\$ 195,287	\$ 195,701	\$ 195,711	\$ 195,676	\$ 197,095	\$ 197,457	\$ 198,656	\$ 200,729	\$ 202,751	\$ 203,160
Total Governmental Activities Program Revenues	195,287	195,701	195,711	195,676	197,095	197,457	198,656	200,729	202,751	203,160
Business-Type Activities:										
Charges for Services:										
Wastewater	735,512	737,422	757,772	784,863	820,103	892,411	932,675	957,494	1,053,340	1,151,255
Solid Waste	550,057	570,942	585,157	611,885	699,537	753,162	782,285	807,355	845,158	908,433
Operating Grants and Contributions	264,359	317,873	253,425	308,033	282,588	314,190	498,488	412,280	458,566	440,519
Capital Grants and Contributions	64,310	13,297	80,000	-	48,275	178,285	124,386	1,206,429	1,724,019	203,657
Total Business-Type Activities Program Revenues	1,614,238	1,639,534	1,676,354	1,704,781	1,850,503	2,138,048	2,337,834	3,383,558	4,081,083	2,703,864
Total Primary Government Program Revenues	\$ 1,809,525	\$ 1,835,235	\$ 1,872,065	\$ 1,900,457	\$ 2,047,598	\$ 2,335,505	\$ 2,536,490	\$ 3,584,287	\$ 4,283,834	\$ 2,907,024
Net (Expense)/Revenue										
Governmental Activities	\$ (7,076,572)	\$ (8,771,717)	\$ (9,073,360)	\$ (7,247,686)	\$ (10,500,008)	\$ (11,122,966)	\$ (11,530,529)	\$ (9,166,072)	\$ (9,253,513)	\$ (9,872,244)
Business-Type Activities	(2,764,561)	(2,959,505)	(2,825,580)	(3,145,019)	(2,922,740)	(2,717,633)	(2,557,271)	(1,759,190)	(1,443,307)	(3,525,016)
Total Primary Government Net Expense	\$ (9,841,133)	\$ (11,731,222)	\$ (11,898,940)	\$ (10,392,705)	\$ (13,422,748)	\$ (13,840,599)	\$ (14,087,800)	\$ (10,925,262)	\$ (10,696,820)	\$ (13,397,260)

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Changes in Net Position (Continued)
Last Ten Fiscal Years (2012 through 2021)
(Accrual Basis of Accounting)
(Unaudited)

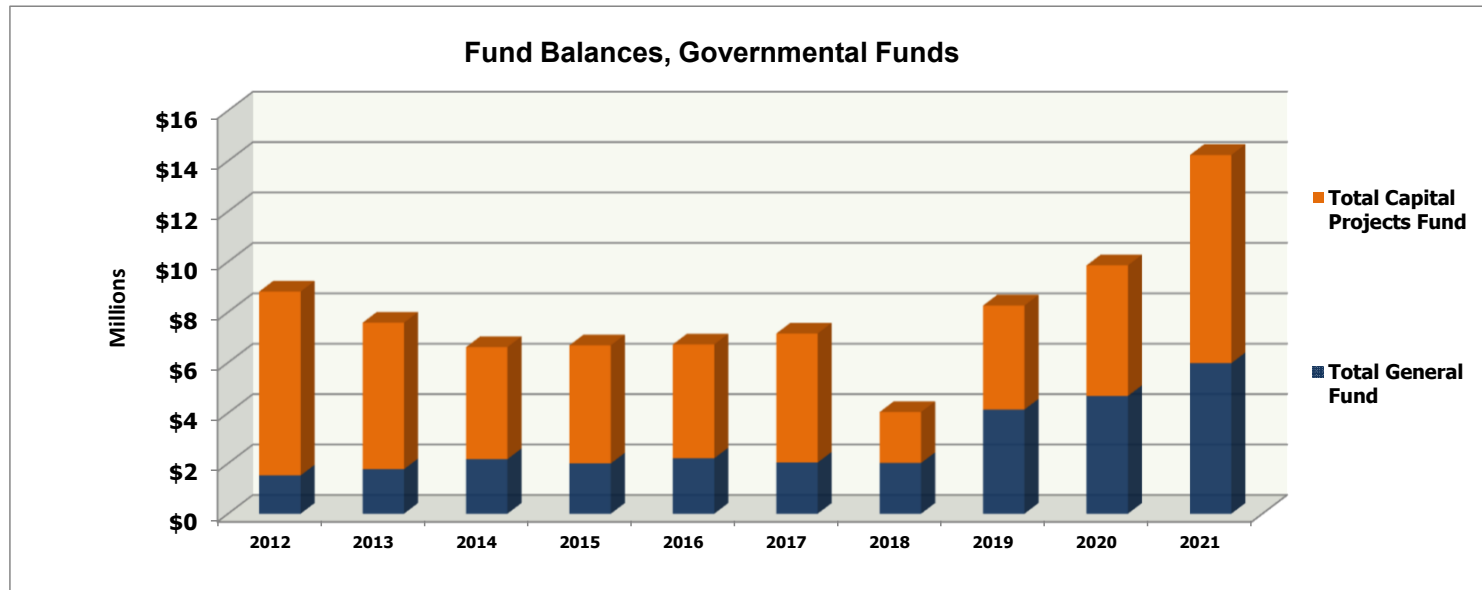
	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 8,083,368	\$ 8,250,092	\$ 8,637,205	\$ 9,024,483	\$ 9,683,655	\$ 11,343,982	\$ 11,936,750	\$ 12,708,517	\$ 13,328,408	\$ 14,206,895
Proposition 172 Public Safety Sales Tax	148,194	161,659	175,633	185,038	192,782	202,512	203,458	211,907	224,109	224,109
Investment Income	72,403	40,634	37,698	42,623	65,029	102,833	115,368	150,178	211,104	112,713
Investment Income - Pension Trust	-	-	-	-	-	-	-	79,175	38,517	506,212
Franchise Revenue	74,879	78,620	76,419	78,801	43,653	91,264	100,772	129,561	134,127	119,568
Miscellaneous	6,975	25,424	34,393	131,792	35,790	61,672	85,302	45,305	42,673	65,252
Transfers In/(Out)	(1,824,307)	(1,224,753)	(1,064,604)	(1,760,768)	1,218,540	(41,006)	(4,291,147)	(233,716)	(3,396,796)	(916,700)
Total Government Activities	6,561,512	7,331,676	7,896,744	7,701,969	11,239,449	11,761,257	8,150,503	13,090,927	10,582,142	14,318,049
Business-Type Activities:										
Property Taxes	2,282,352	2,326,949	2,436,135	2,545,367	2,731,287	1,782,672	1,862,962	1,988,018	2,080,156	2,217,261
Investment Income	63,699	42,434	50,131	65,393	110,478	121,131	132,357	257,630	272,655	154,839
Miscellaneous	17,826	18,713	32,110	36,092	133,089	76,432	177,660	69,423	68,825	46,519
Transfers In/(Out)	1,824,307	1,224,753	1,064,604	1,760,768	(1,218,540)	41,006	4,291,147	233,716	3,396,796	916,700
Total Business-Type Activities	4,188,184	3,612,849	3,582,980	4,407,620	1,756,314	2,021,241	6,464,126	2,548,787	5,818,432	3,335,319
Total Primary Government	\$ 10,749,696	\$ 10,944,525	\$ 11,479,724	\$ 12,109,589	\$ 12,995,763	\$ 13,782,498	\$ 14,614,629	\$ 15,639,714	\$ 16,400,574	\$ 17,653,368
Change in Net Position										
Governmental Activities	\$ (515,060)	\$ (1,440,041)	\$ (1,176,616)	\$ 454,283	\$ 739,441	\$ 638,291	\$ (3,380,026)	\$ 3,924,855	\$ 1,328,629	\$ 4,445,805
Business-Type Activities	1,423,623	653,344	757,400	1,262,601	(1,166,426)	(696,392)	3,906,855	789,597	4,375,125	(189,697)
Total Primary Government	\$ 908,563	\$ (786,697)	\$ (419,216)	\$ 1,716,884	\$ (426,985)	\$ (58,101)	\$ 526,829	\$ 4,714,452	\$ 5,703,754	\$ 4,256,108



Source: PBCSD Annual Audited Financial Statements

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Fund Balances, Governmental Funds
Last Ten Fiscal Years (2012 through 2021)
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,579,175	\$ 1,617,692	\$ 2,123,904
Committed	733,000	751,000	764,000	787,500	839,500	871,500	939,500	981,000	1,042,500	1,115,000
Unassigned	785,472	1,014,710	1,399,556	1,207,395	1,357,958	1,159,395	1,072,489	1,573,960	2,011,487	2,736,404
Total General Fund	<u>\$ 1,518,472</u>	<u>\$ 1,765,710</u>	<u>\$ 2,163,556</u>	<u>\$ 1,994,895</u>	<u>\$ 2,197,458</u>	<u>\$ 2,030,895</u>	<u>\$ 2,011,989</u>	<u>\$ 4,134,135</u>	<u>\$ 4,671,679</u>	<u>\$ 5,975,308</u>
Capital Projects Fund										
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	-
Committed	7,296,048	5,812,488	4,445,661	4,686,665	4,518,010	5,118,400	2,022,158	4,127,016	5,180,557	8,257,432
Total Capital Projects Fund	<u>\$ 7,296,048</u>	<u>\$ 5,812,488</u>	<u>\$ 4,445,661</u>	<u>\$ 4,686,665</u>	<u>\$ 4,518,010</u>	<u>\$ 5,118,400</u>	<u>\$ 2,022,158</u>	<u>\$ 4,127,016</u>	<u>\$ 5,180,557</u>	<u>\$ 8,257,432</u>

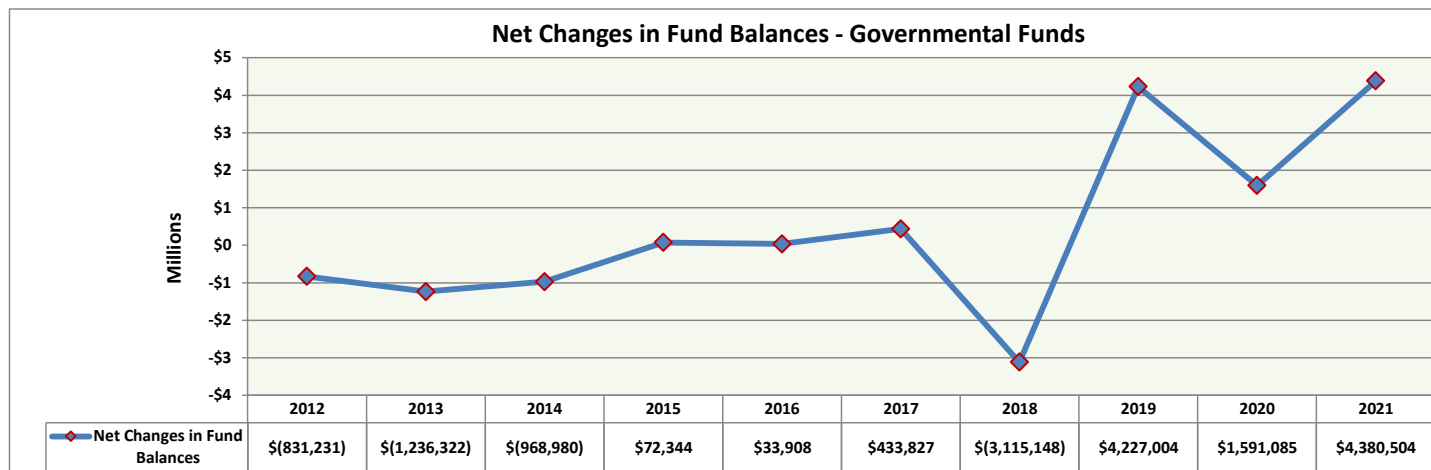


Note: This statement enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

Source: PBCSD Annual Audited Financial Statements

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Changes in Fund Balance, Governmental Funds
Last Ten Fiscal Years (2012 through 2021)
(Modified Accrual Basis of Accounting)
(Unaudited)

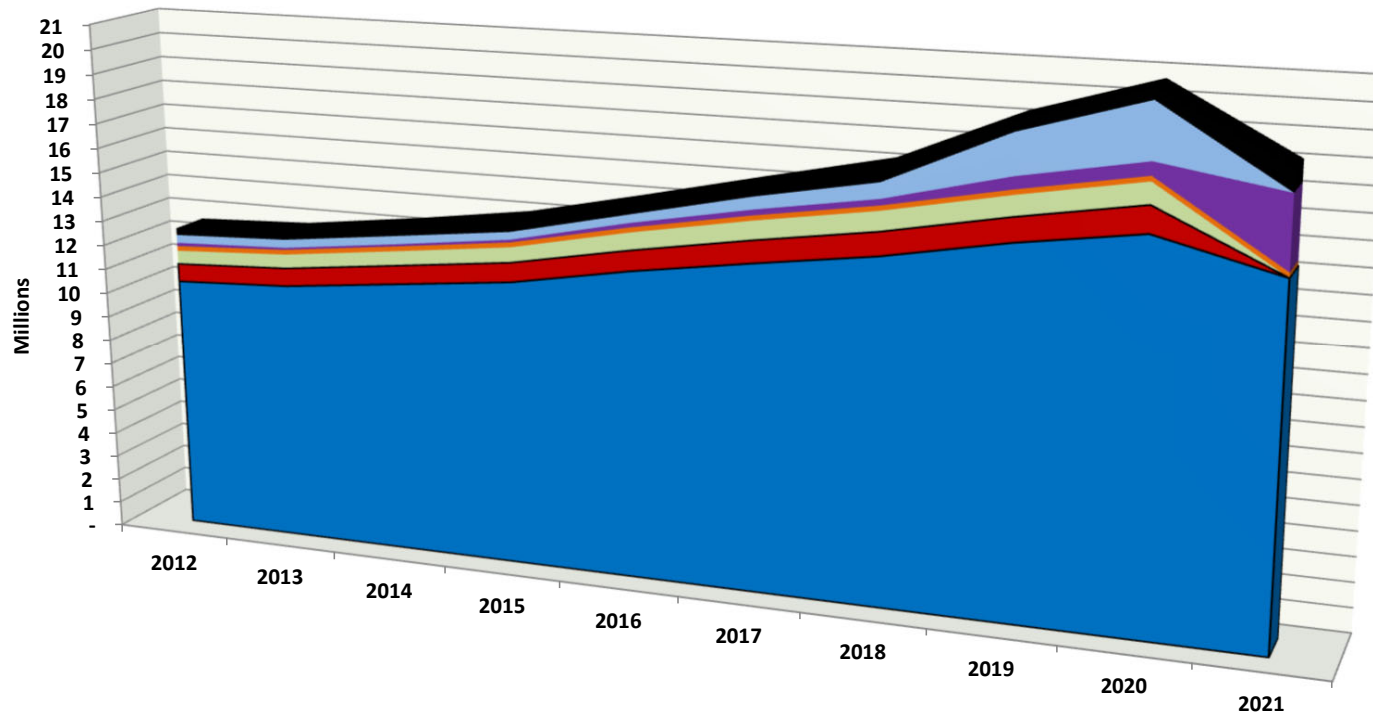
	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues:										
Property Taxes	\$ 8,083,803	\$ 8,240,485	\$ 8,646,988	\$ 8,981,593	\$ 9,656,966	\$ 11,266,890	\$ 11,898,723	\$ 12,585,293	\$ 13,180,797	\$ 14,111,223
Fire Service Special Tax	195,059	197,120	195,890	195,185	197,111	198,064	198,247	200,090	201,958	203,693
Franchise Revenue	74,879	78,620	76,419	78,801	43,653	91,264	100,772	129,561	134,127	119,568
Proposition 172 Public Safety Sales Tax	148,194	161,659	175,633	185,038	192,782	202,512	203,458	211,907	224,109	224,109
Investment Income	72,403	40,634	37,698	42,623	65,029	102,833	115,368	150,178	211,104	112,713
Investment Income - Pension Trust	-	-	-	-	-	-	-	79,175	38,517	506,212
Miscellaneous	39,465	25,424	34,393	131,792	35,790	61,672	85,302	45,305	42,673	65,252
Total Revenues	8,613,803	8,743,942	9,167,021	9,615,032	10,191,331	11,923,235	12,601,870	13,401,509	14,033,285	15,342,770
Expenditures:										
General Government	1,658,762	1,653,869	1,742,924	1,995,620	1,843,360	2,239,659	1,986,065	2,008,344	2,218,949	2,368,782
Fire Protection & Emergency Medical	4,474,200	4,638,016	4,605,444	5,181,068	5,191,123	5,369,291	5,736,231	6,331,670	6,344,237	5,656,835
Undergrounding Utilities	63,235	419,434	2,382,047	119,490	2,392,778	3,411,980	3,303,659	262,939	91,533	1,189,444
Fire Water Distribution System	511,022	1,708,060	67,408	-	602,016	3,926	-	-	-	-
Law Enforcement	164,941	183,703	175,967	171,598	159,066	163,769	205,505	221,924	244,707	260,079
Capital Outlay	748,567	152,429	97,607	314,144	1,187,620	259,777	194,411	115,912	145,978	570,426
Total Expenditures	7,620,727	8,755,511	9,071,397	7,781,920	11,375,963	11,448,402	11,425,871	8,940,789	9,045,404	10,045,566
Excess (Deficiency) of Revenues Over (Under) Expenditures	993,076	(11,569)	95,624	1,833,112	(1,184,632)	474,833	1,175,999	4,460,720	4,987,881	5,297,204
Other Financing Sources (Uses):										
Transfers In/(Out)	(1,824,307)	(1,224,753)	(1,064,604)	(1,760,768)	1,218,540	(41,006)	(4,291,147)	(233,716)	(3,396,796)	(916,700)
Total Other Financing Sources (Uses)	(1,824,307)	(1,224,753)	(1,064,604)	(1,760,768)	1,218,540	(41,006)	(4,291,147)	(233,716)	(3,396,796)	(916,700)
Net Changes in Fund Balances	\$ (831,231)	\$ (1,236,322)	\$ (968,980)	\$ 72,344	\$ 33,908	\$ 433,827	\$ (3,115,148)	\$ 4,227,004	\$ 1,591,085	\$ 4,380,504



Source: PBCSD Annual Audited Financial Statements

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
 Primary Government Revenue Sources (Accrual Basis)
 Last Ten Fiscal Years (2012 through 2021)
 (Unaudited)

Primary Government Revenue Sources
 Fiscal Year Ended June 30,



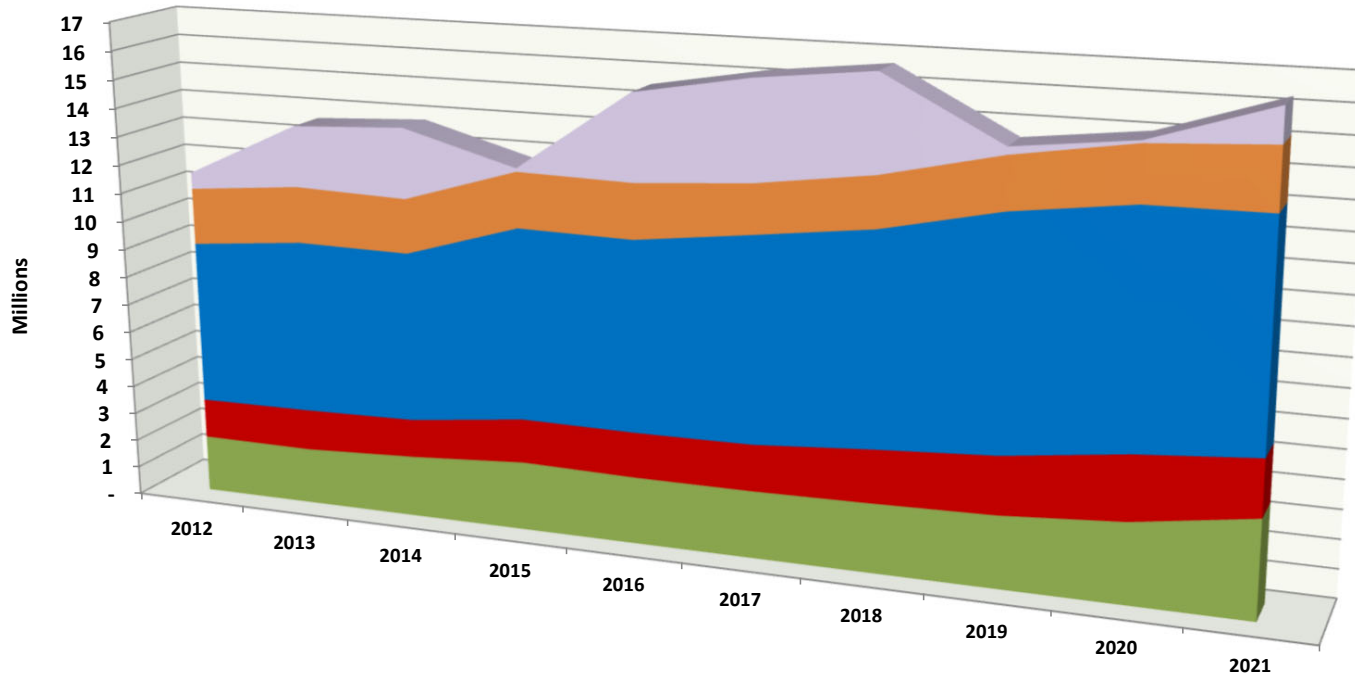
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Revenue	12,591,711	12,779,760	13,351,789	14,010,046	15,043,361	16,118,002	17,151,119	19,224,001	20,684,408	18,095,689
■ Other	280,363	284,416	318,555	431,723	405,314	431,879	567,192	456,196	469,734	849,448
■ Reclamation Contributions	328,669	331,170	333,425	308,033	330,863	492,475	622,874	1,618,709	2,182,585	-
■ Investment Income	136,102	83,068	87,829	108,016	175,507	223,964	247,725	486,983	522,276	2,836,186
■ Fire Service Special Tax	195,287	195,701	195,711	195,676	197,095	197,457	198,656	200,729	202,751	203,160
■ Garbage Service Fee	550,057	570,942	585,157	611,885	699,537	753,162	782,285	807,355	845,158	-
■ Sewer Service Fee	735,512	737,422	757,772	784,863	820,103	892,411	932,675	957,494	1,053,340	-
■ Property Taxes	10,365,720	10,577,041	11,073,340	11,569,850	12,414,942	13,126,654	13,799,712	14,696,535	15,408,564	14,206,895

* Other Revenue Includes Proposition 172 Public Safety funds, Garbage Franchise Revenue, Sewer Connection Fees, and other Miscellaneous Revenue.

Source: PBCSD Annual Audited Financial Statements

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Primary Government Operating Expenses (Accrual Basis)
Last Ten Fiscal Years (2012 through 2021)
(Unaudited)

Primary Government Operating Expenses
Fiscal Year Ended June 30,



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total Expenses	11,650,657	13,566,457	13,771,005	12,674,035	15,470,346	16,176,104	16,624,290	14,509,549	14,980,654	16,304,284
Project Expenses	574,256	2,127,495	2,450,040	119,490	2,994,794	3,415,906	3,303,659	262,939	91,533	1,189,444
Depreciation	1,978,317	1,968,439	1,898,163	1,923,792	1,910,381	1,700,265	1,749,998	1,785,835	1,895,433	2,087,336
Contract Services	5,720,265	6,057,814	5,928,331	6,674,833	6,638,962	7,094,452	7,311,136	7,951,085	7,965,833	7,665,491
Other O&M	1,381,984	1,440,139	1,342,297	1,541,630	1,582,685	1,618,563	1,847,966	2,003,721	2,237,148	1,955,203
Personnel	1,995,835	1,972,570	2,152,174	2,414,290	2,343,524	2,346,918	2,411,531	2,505,969	2,790,707	3,406,810

Source: PBCSD Annual Audited Financial Statements

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Assessed Value of Taxable Property - PBCSD
(in thousands of dollars)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Secured Roll	Unsecured Roll	Total Assessed Valuations	% Change From Prior Year	Net Assessed Valuations County	PBCSD as percent of County
2012	4,551,024	12,584	4,563,608	2.0%	49,226,643	9.3%
2013	4,632,779	11,120	4,643,899	1.8%	49,803,250	9.3%
2014	4,825,360	14,397	4,839,757	4.2%	51,547,065	9.4%
2015	5,005,881	12,000	5,017,880	3.7%	54,466,446	9.2%
2016	5,362,060	14,284	5,376,344	7.1%	57,708,644	9.3%
2017	5,675,943	15,962	5,691,905	5.9%	60,288,377	9.4%
2018	5,965,485	14,910	5,980,395	5.1%	63,645,292	9.4%
2019	6,329,124	17,043	6,346,167	6.1%	67,676,231	9.4%
2020	6,713,942	16,957	6,730,899	6.1%	72,173,931	9.3%
2021	7,085,752	17,774	7,103,526	5.5%	75,006,194	9.5%

- Notes:**
- (1) Secure property is generally the real property, which is defined as land, mineral, timber, and improvements such as buildings, structures, crops, trees and vines. Also included are unitary properties, including railroads and utilities, which cross the country and are assessed by State Board of Equalization.
 - (2) Unsecured property is generally personal property, including machinery, equipment, office tools, supplies, mobile homes, boats and aircraft.
 - (3) Proposition 13 in 1978 fixed the base for valuation of property subject to taxes at the full cash value. Additionally, Proposition 13 limits the property tax rate to 1% of assessed value, plus the rate necessary to fund local voter-approved bonds and special assessments.

Source: Monterey County Auditor-Controller's Office

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
General Property Tax Levy and
Debt Service Tax Rates for Overlapping (1) Governments within PBCSD
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	General Property Tax Levy	School Districts			
		Pacific Grove USD	Carmel USD	Monterey Peninsula USD	Monterey Peninsula Community College
2012	1.000000%	0.084130%	0.018910%	0.028790%	0.023570%
2013	1.000000%	0.064171%	0.018153%	0.027965%	0.022367%
2014	1.000000%	0.073552%	0.018706%	0.021309%	0.015772%
2015	1.000000%	0.072869%	0.018338%	0.022774%	0.032471%
2016	1.000000%	0.082897%	0.017901%	0.030000%	0.023039%
2017	1.000000%	0.085470%	0.017425%	0.030000%	0.022336%
2018	1.000000%	0.065096%	0.014130%	0.028902%	0.021655%
2019	1.000000%	0.061935%	0.015728%	0.091957%	0.021187%
2020	1.000000%	0.063366%	0.015432%	0.117071%	0.020484%
2021	1.000000%	0.077597%	0.015247%	0.041454%	0.020166%

Notes: (1) In 1978 California voters passed Proposition 13 which sets the property tax rate at 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00%, property owners are charged taxes for the payment of school district bonds. The three school districts are listed above. Property owners pay school district bonds according to the tax rate area in which their property is located and all property owners pay Monterey Peninsula Community College bonds.

Source: Monterey County Auditor-Controller's Office

COUNTY OF MONTEREY
Principal Property Taxpayers
For the Year Ended June 30, 2021 and June 30, 2012
(Unaudited)

Tax Payer	Type of Business	2021		2012		Percentage of Total County Assessed Value	Percentage of Total County Assessed Value
		Taxable Assessed Value (\$'000)	Rank	Taxable Assessed Value (\$'000)	Rank		
Pebble Beach Company	Tourism	904,737	1	567,776	2	1.21%	1.15%
Pacific Gas & Electric Company	Utility	704,129	2	428,639	3	0.94%	0.87%
Chevron USA, Inc.	Petroleum	409,183	3	304,086	4	0.55%	
Aera Energy LLC.	Utility	372,425	4	144,786	5	0.50%	0.29%
California-American Water Company	Utility	182,848	5	91,818	8	0.24%	
D'Arrigo Bros Co.	Agriculture	176,710	6	-		0.24%	0.00%
Northridge Owner LP	Retail	153,357	7	-		0.20%	0.00%
Dynegy Moss Landing LLC.	Utility	150,900	8	620,200	1	0.20%	1.26%
Global AG Properties LLC ET AL	Agriculture	129,990	9	-		0.17%	
AAT Del Monte LLC.	Real Estate	122,751	10	-		0.16%	
Pacific Bell Telephone Company	Utility	-		114,467	6		0.23%
Pacific Holdings LP ET AL	Real Estate	-		94,244	7		0.19%
Dole Fresh Vegetables, Inc.	Agriculture	-		66,875	9		0.14%
EFS King City, LLC	Utility	-		66,380	10		0.13%
Ten Largest Taxpayers' Total		3,307,029		2,499,271		4.41%	5.07%
All Other Taxpayers' Total		71,699,165		46,727,372		95.59%	94.93%
Total		75,006,194		49,226,643		100%	100%

Source: Monterey County Property Tax Records

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Supplemental Tax Collections	Delinquent Tax Collections (2)	Total Tax Collections
		Amount	Percentage of Levy			
2012	10,185,704	10,010,012	98.28%	104,951	209,909	10,324,872
2013	10,368,679	10,234,351	98.70%	121,260	174,735	10,530,347
2014	10,791,979	10,721,136	99.34%	165,857	167,919	11,054,912
2015	11,185,622	11,123,733	99.45%	214,752	149,389	11,487,874
2016	12,009,919	11,964,014	99.62%	241,265	147,106	12,352,386
2017	12,703,717	12,665,856	99.70%	241,654	99,693	13,007,203
2018	13,348,204	13,337,229	99.92%	288,980	103,027	13,729,235
2019	14,156,441	14,105,231	99.64%	291,385	140,986	14,537,602
2020	15,013,734	14,824,270	98.74%	273,046	124,134	15,221,450
2021	15,834,412	15,778,407	99.65%	330,369	180,447	16,289,224

Notes: (1) Includes Current Secured and Unsecured Taxes only.

(2) Includes Delinquent Secured and Unsecured Taxes collected in the current year, regardless of original year of levy.

Sources: Pebble Beach Community Services District financial information
 Monterey County Auditor-Controller AB-8 calculations

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Demographic and Economic Statistics

Monterey County, California
Last Ten Calendar Years

Calendar Year	Population	Per Capita Personal Income	Personal Income (in thousands)	Median Age	Annual Unemployment Rate
2010	415,057	42,176	17,574,000	33	12.8%
2011	421,898	41,138	17,355,940	33	12.4%
2012	426,762	43,034	18,365,298	33	11.4%
2013	428,826	44,851	19,233,171	33	10.1%
2014	431,344	46,109	19,889,054	34	9.1%
2015	433,898	49,836	21,623,627	34	8.1%
2016	435,232	52,448	22,827,059	34	7.6%
2017	437,907	54,395	23,819,797	34	7.2%
2018	435,594	56,193	24,477,179	35	4.7%
2019	434,061	59,838	25,973,189	35	7.8%

Source: Monterey County ACFR (Fiscal Year Ended June 30, 2020)
 2021 Calendar Year End data is not available as of report date.

Pebble Beach, California
For the Years 2000 and 2010

Year	Population (1)	Per Capita Personal Income (2)	Personal Income (3)	Median Age (1)	Unemployment Rate (4)
2000	4,590	70,609	324,095,310	57.2	1.7%
2010	4,509	84,137	379,373,733	57.8	3.3%

Note: Data for the Pebble Beach area is only available from the decennial census.

Sources: (1) US Census Bureau, American FactFinder - Census Summary Files 2000 and 2010
 (2) US Census Bureau, American FactFinder - Census Summary Files 2000 and 2010 American Community Survey
 (3) Estimated by combining items (1) and (2)
 (4) State of California, Employment Development Department, Labor Market Information Division

PEBBLE BEACH COMMUNITY SERVICES DISTRICT

Principal Employment by Industry - Monterey County
For the Year Ended June 30, 2021 and June 30, 2012
(Unaudited)

Industry	2021		2012	
	Number of Employed	Percent of Total	Number of Employed	Percent of Total
Agriculture	74,400	35.5%	63,300	33.3%
Government	33,600	16.0%	31,900	16.8%
Educational and Health Services	20,100	9.6%	16,800	8.8%
Leisure and Hospitality	20,500	9.8%	21,500	11.3%
Retail Trade	15,700	7.5%	15,600	8.2%
Professional and Business Services	15,100	7.2%	11,500	6.0%
Natural Resources, Mining and Construction	7,000	3.3%	4,300	2.3%
Wholesale Trade	5,500	2.6%	5,600	2.9%
Manufacturing	4,300	2.1%	5,400	2.8%
Financial Activities	4,000	1.9%	4,300	2.3%
Other Services	4,500	2.1%	4,800	2.5%
Transportation, Warehousing and Utilities	3,800	1.8%	3,700	1.9%
Information	900	0.4%	1,500	0.8%

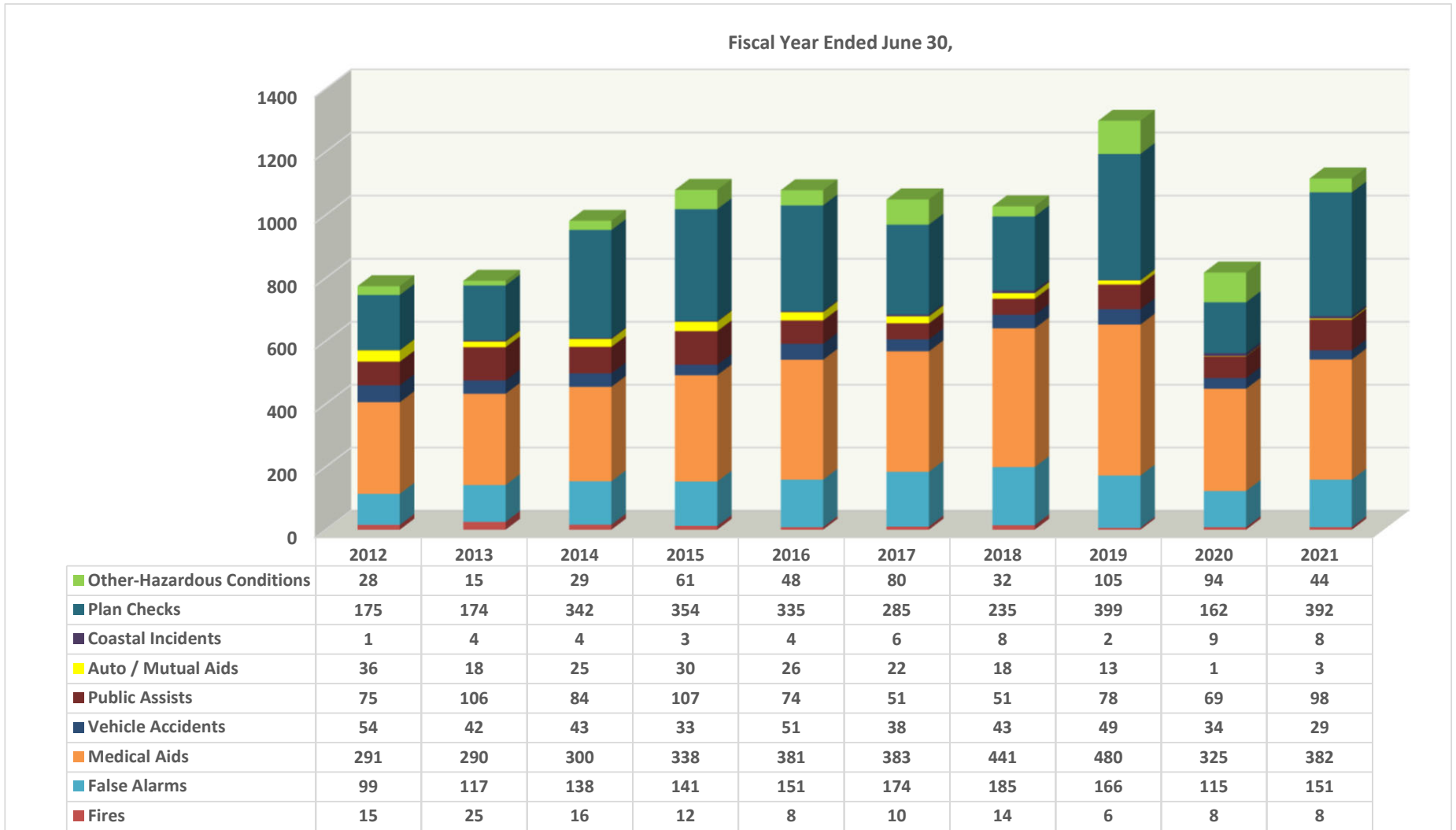
Source: State of California Employment Development Department, Labor Market Information Division Industry Employment & Labor Force by Month Estimates for Monterey County (March 2020 Benchmark). Report Date: September 17, 2021

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Full-Time Equivalent Government Employees by Function / Program
Last Ten Fiscal Years
(Unaudited)

Function / Program	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PBCSD Staff										
General Government and Administration	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	2.0
Finance and Information Systems	2.0	2.0	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0
Engineering	2.0	2.0	2.0	1.0	2.0	2.0	2.0	2.0	2.0	2.0
Wastewater and Recycled Water Maintenance	5.0	5.0	5.0	5.0	5.0	5.0	5.0	4.0	6.0	5.0
Subtotal	12.0	12.0	12.0	11.0	12.0	13.0	13.0	12.0	14.0	12.0
Fire Protection and Emergency Medical Staff (Contract)										
Pebble Beach Station (100% Funded)	22.0	22.0	22.0	22.0	22.0	22.0	22.0	22.0	20.0	20.0
Carmel Hill Station (50% Funded)	6.0	6.0	6.0	6.0	4.5	4.5	4.5	4.5	4.5	4.5
Command Staff (37.5% Funded)	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Office and Other Support Staff (17% to 37.5% Funded)	1.735	1.735	1.735	1.735	1.395	1.395	1.395	1.615	3.460	3.460
Subtotal	31.985	31.985	31.985	31.985	30.145	30.145	30.145	30.365	30.210	30.210
Total	43.985	43.985	43.985	42.985	42.145	43.145	43.145	42.365	44.210	42.210

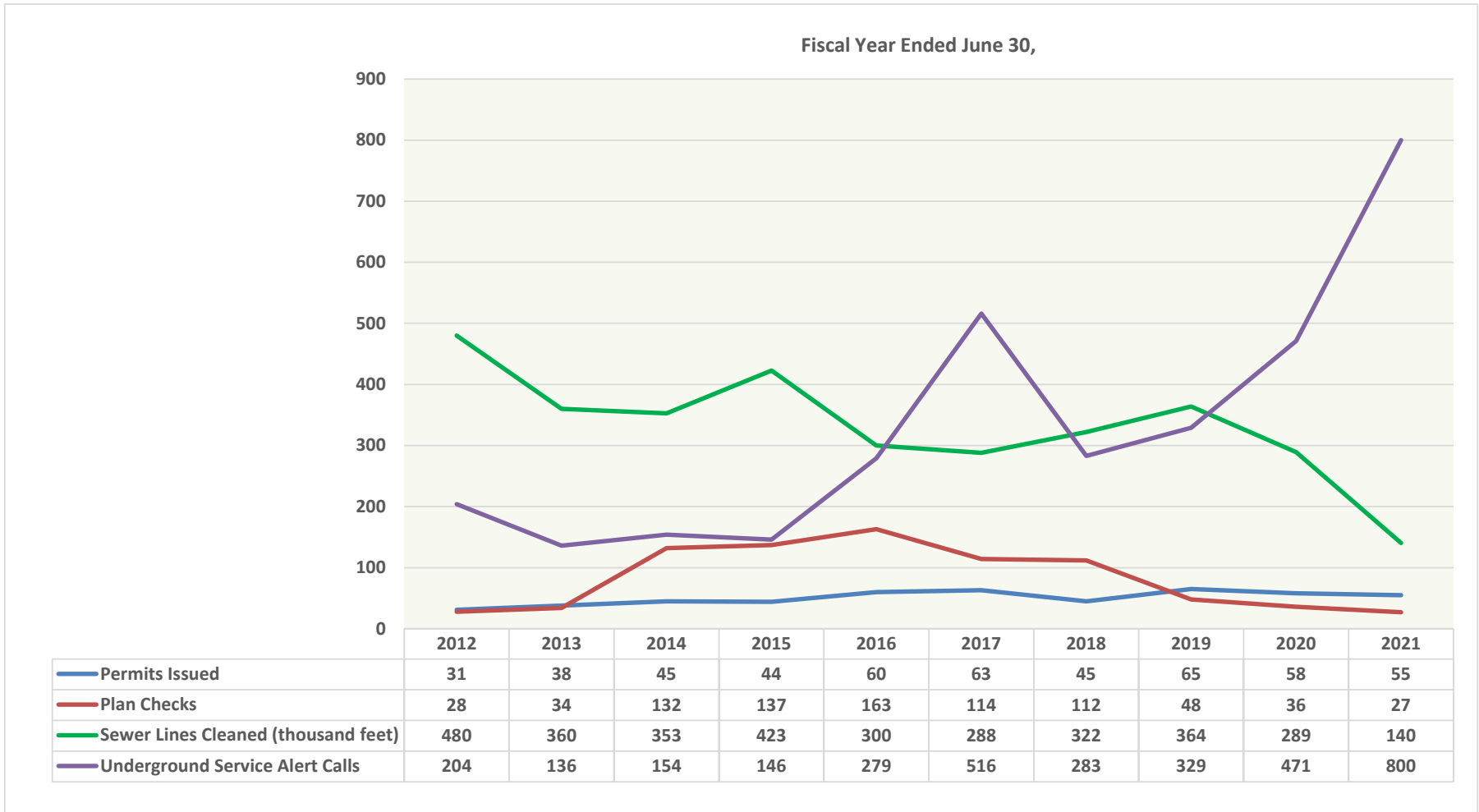
* PBCSD contracts with CAL FIRE for firefighting and paramedic staff.
Source: PBCSD Classification Plan and CAL FIRE contract

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Operating Indicators by Function - Fire Operations and Prevention
Last Ten Fiscal Years
(Unaudited)**



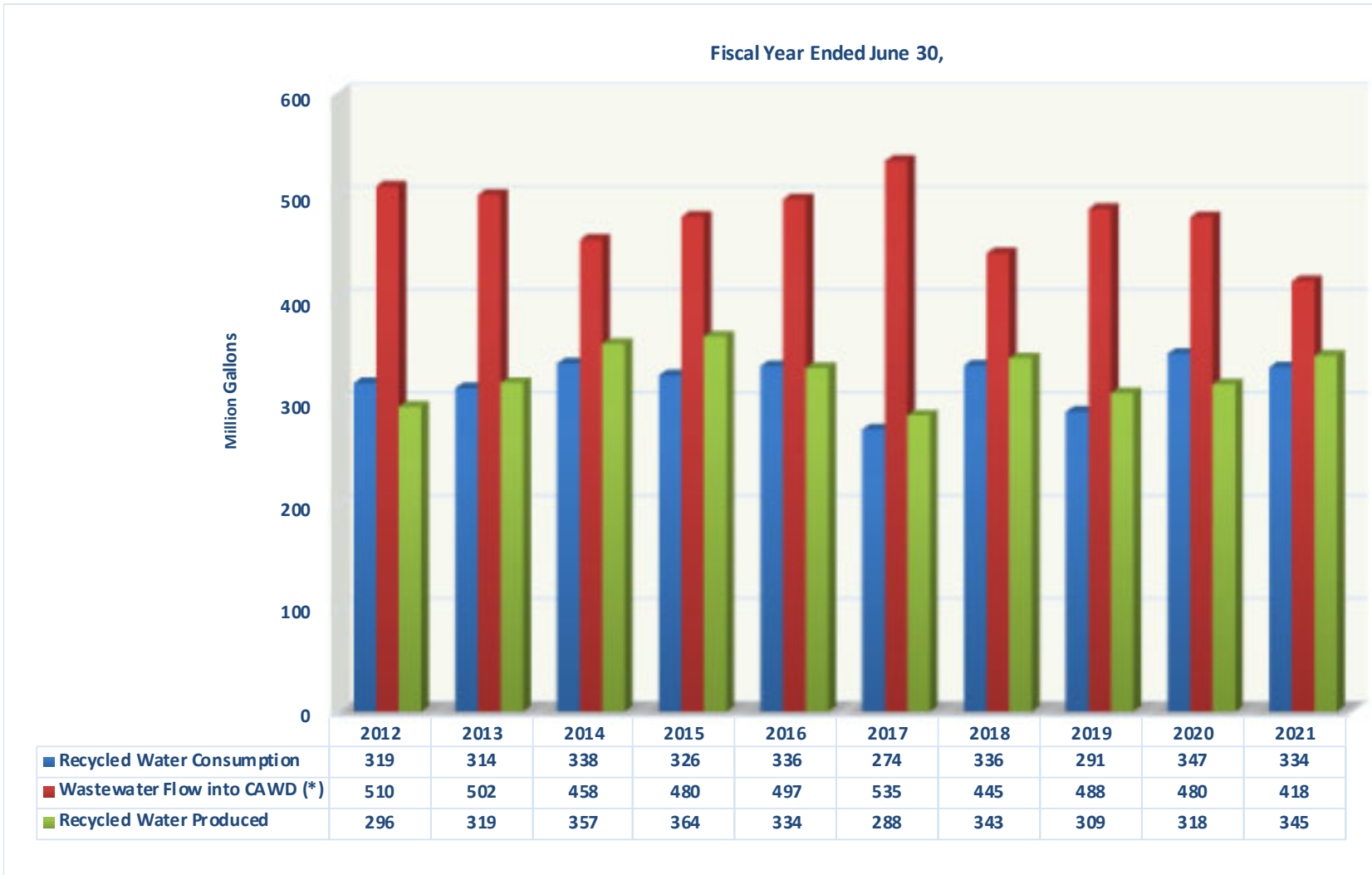
Source: PBCSD Monthly Board Reports

**PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Operating Indicators By Function - Wastewater Operations
Last Ten Fiscal Years
(Unaudited)**



Source: PBCSD Monthly Board Reports

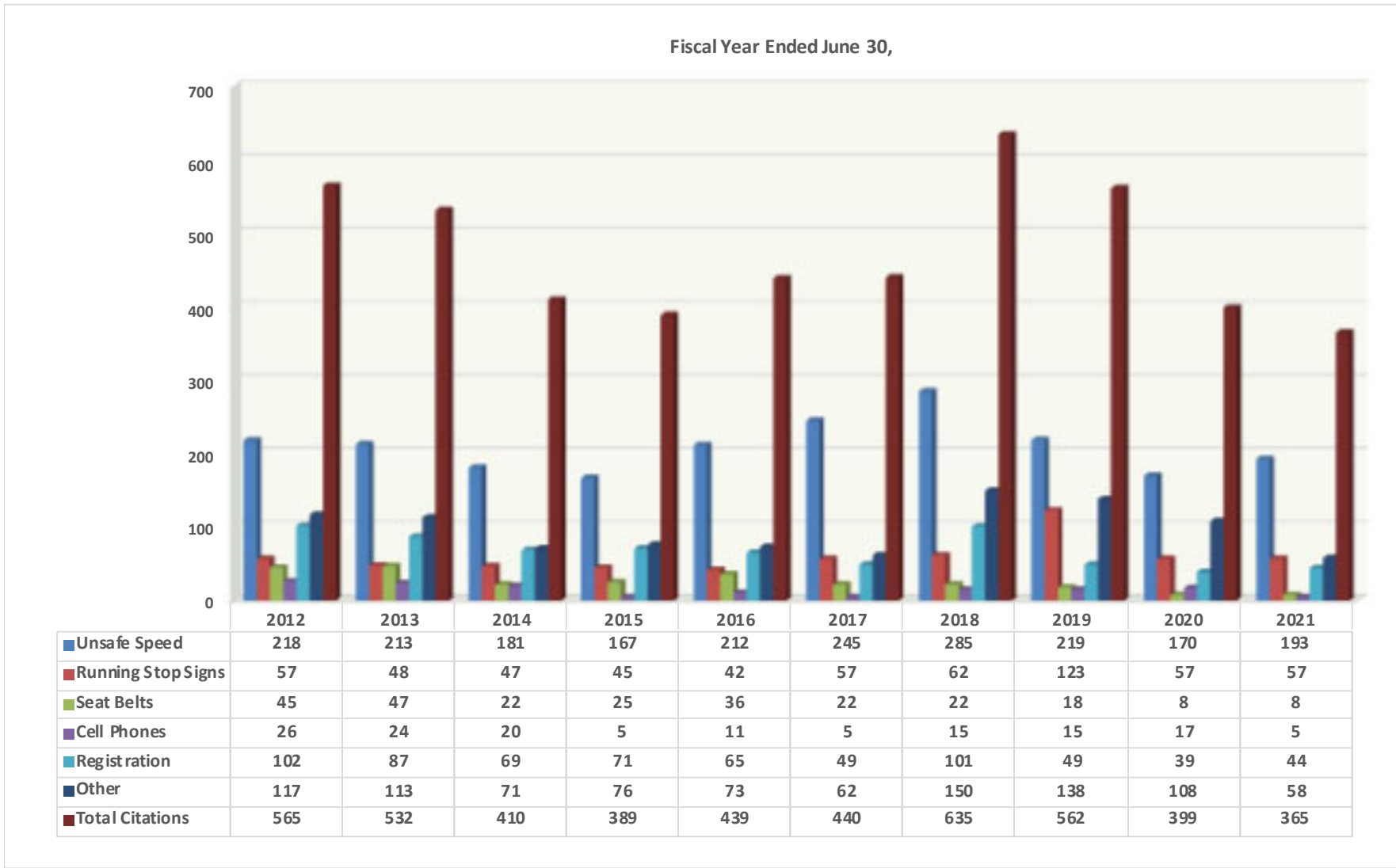
PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Operating Indicators by Function - Recycled Water Production and Usage
(in million gallons)
Last Ten Fiscal Years
(Unaudited)



* CAWD: Carmel Area Wastewater District Treatment Plant

Source: PBCSD Monthly Board Reports

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Operating Indicators by Function - Supplemental Traffic Enforcement Program Citations
Last Ten Fiscal Years
(Unaudited)



Source: PBCSD Monthly Board Reports

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Operating Information - Capital Assets by Function/Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Land	1,371,224	1,371,224	1,371,224	1,371,224	1,371,224	1,371,224	1,371,224	1,371,224	1,371,224	1,371,224
Construction in Progress	41,435	47,268	11,575	180,402	5,259	5,259	5,259	5,259	8,259	507,128
Buildings and Facilities	4,336,378	4,407,306	4,387,431	4,387,431	4,667,139	4,667,139	4,667,139	4,707,079	4,707,079	4,725,967
Vehicles & Equipment	4,102,997	3,761,149	3,741,447	3,886,765	4,808,873	4,984,204	5,006,639	5,082,611	5,179,364	5,232,033
Subtotal Capital Assets	9,852,032	9,586,946	9,511,677	9,825,821	10,852,495	11,027,826	11,050,261	11,166,173	11,265,926	11,836,352
Less Accumulated Depreciation	(4,612,543)	(4,557,269)	(4,681,469)	(5,032,584)	(5,298,704)	(5,671,342)	(5,984,440)	(6,447,362)	(6,821,112)	(7,221,561)
Total Capital Assets-Governmental Activities	<u>\$ 5,239,490</u>	<u>\$ 5,029,676</u>	<u>\$ 4,830,208</u>	<u>\$ 4,793,237</u>	<u>\$ 5,553,791</u>	<u>\$ 5,356,484</u>	<u>\$ 5,065,821</u>	<u>\$ 4,718,811</u>	<u>\$ 4,444,814</u>	<u>\$ 4,614,791</u>
Business Type Activities										
Wastewater										
Land	-	-	-	-	-	-	-	-	-	-
Construction in Progress	888,924	74,662	494,835	1,118,713	4,006,485	6,014,694	5,761,022	828,846	1,038,789	1,585,883
Buildings and Facilities	1,734,016	1,734,016	1,727,568	1,727,568	1,727,568	1,727,567	1,727,568	1,744,170	1,794,281	1,794,281
Collection Lines	14,628,846	15,263,229	16,030,732	16,030,732	16,354,984	16,354,984	17,782,567	17,782,567	18,241,919	18,267,141
Pump Stations	9,628,712	10,691,202	10,766,202	11,211,831	10,303,568	10,303,568	10,469,957	10,707,198	10,776,956	10,941,404
Treatment Plant Rights	1,392,424	1,455,223	1,529,794	1,572,238	1,631,020	2,126,592	2,278,619	7,843,154	8,257,482	8,576,911
Vehicles & Equipment	1,410,407	1,598,680	1,590,766	1,590,766	1,580,829	1,556,601	1,511,628	1,582,021	1,582,021	1,893,251
Subtotal Capital Assets	29,683,329	30,817,013	32,139,897	33,251,848	35,604,453	38,084,006	39,531,361	40,487,956	41,691,448	43,058,871
Less Accumulated Depreciation	(15,597,151)	(16,364,014)	(17,060,997)	(17,812,256)	(17,547,258)	(18,216,901)	(18,892,705)	(19,673,196)	(20,560,735)	(21,334,961)
Subtotal Capital Assets-Wastewater	<u>\$ 14,086,178</u>	<u>\$ 14,452,999</u>	<u>\$ 15,078,900</u>	<u>\$ 15,439,592</u>	<u>\$ 18,057,195</u>	<u>\$ 19,867,105</u>	<u>\$ 20,638,656</u>	<u>\$ 20,814,760</u>	<u>\$ 21,130,713</u>	<u>\$ 21,723,910</u>
Reclamation										
Land	2,854,000	2,854,000	2,854,000	2,854,000	2,854,000	2,854,000	2,854,000	2,854,000	2,854,000	2,854,000
Construction in Progress	34,901	36,579	29,069	29,069	32,965	33,055	72,112	1,278,541	30,294	193,071
Distribution Lines	10,186,594	10,186,594	10,186,594	10,186,594	10,186,594	10,186,594	10,186,594	10,186,594	10,186,594	10,186,594
Pump Stations	622,993	622,993	622,993	622,993	622,993	622,993	622,993	622,993	622,993	622,993
Storage Facilities	10,788,878	10,788,878	10,876,388	10,876,388	10,920,769	11,089,448	11,170,791	11,170,791	13,967,053	14,007,932
Vehicles & Equipment	142,303	151,620	135,842	135,842	134,387	143,901	143,153	143,153	319,158	319,158
Subtotal Capital Assets	24,629,669	24,640,663	24,704,886	24,704,886	24,751,708	24,929,991	25,049,643	26,256,072	27,980,092	28,183,748
Less Accumulated Depreciation	(7,582,384)	(8,381,742)	(9,187,135)	(10,008,553)	(10,790,838)	(11,325,877)	(11,865,291)	(12,407,713)	(12,995,632)	(13,713,855)
Subtotal Capital Assets-Reclamation	<u>\$ 17,047,285</u>	<u>\$ 16,258,921</u>	<u>\$ 15,517,751</u>	<u>\$ 14,696,333</u>	<u>\$ 13,960,869</u>	<u>\$ 13,604,114</u>	<u>\$ 13,184,352</u>	<u>\$ 13,848,359</u>	<u>\$ 14,984,460</u>	<u>\$ 14,469,893</u>
Total Capital Assets-Business Type Activities	<u>\$ 31,133,463</u>	<u>\$ 30,711,920</u>	<u>\$ 30,596,651</u>	<u>\$ 30,135,925</u>	<u>\$ 32,018,064</u>	<u>\$ 33,471,219</u>	<u>\$ 33,823,008</u>	<u>\$ 34,663,119</u>	<u>\$ 36,115,173</u>	<u>\$ 36,193,803</u>

Note: PBCSD owns 1/3 capacity rights to the Carmel Area Wastewater District's Treatment Plant.

Source: PBCSD Annual Audited Financial Statements

PEBBLE BEACH COMMUNITY SERVICES DISTRICT
Summary of Capital Assets
June 30, 2021

General

Date established July 1, 1982
 Form of government Board of Directors/Manager
 Area 8 square miles

Fire Protection

Number of stations 2 *
 Number of fire engines 6 *
 Number of other vehicles 14 *
 Number of fire personnel 47 *

Wastewater

Miles of collection lines 82
 Number of pump stations 8
 Number of treatment plants 1 **
 Capacity (millions of gallons per day) 3
 Number of flow metering stations 1
 Number of vehicles 9

Reclamation (Recycled Water)

Miles of distribution lines 7
 Number of pump stations 2 ***
 Number and storage capacity of reservoirs 1 / 115 million gallons
 Number and storage capacity of storage tanks 1 / 2.5 million gallons
 Number of recycled water users 5

Source: PBCSD capital asset database, historical, and financial records.

* PBCSD contracts with CAL FIRE and the neighboring Cypress and Carmel Highlands fire protection districts to pool resources and share the costs of 27 personnel, 1 fire station and engine, and 11 command and fire operations support vehicles.

** In a contract with Carmel Area Wastewater District, PBCSD owns one third capacity rights of CAWD's wastewater treatment plant.

*** A potable water pump station at Viscaino Rd is jointly owned and maintained by PBCSD and California American Water (Cal-Am). Another pump station at Forest Lake is fully owned and maintained by the District.