

PORT SAN LUIS HARBOR DISTRICT

FINANCIAL STATEMENTS

June 30, 2015

PORT SAN LUIS HARBOR DISTRICT
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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Port San Luis Harbor District
Avila Beach, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Port San Luis Harbor District (the District), as of and for the fiscal year ended June 30, 2015, 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 and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance 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.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Port San Luis Harbor District as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1 to the financial statements effective July 1, 2014, the Port San Luis Harbor District adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3-10, the budgetary comparison information on page 41, the Schedule of Funding Progress for Postemployment Benefits Other than Pensions on page 42, the Schedules of Proportionate Share of Net Pension Liability on pages 43 through 45, and the Schedules of Contributions on pages 46 through 48 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 performed for the purpose of forming opinions on the financial statements that collectively comprise the Port San Luis Harbor District's basic financial statements. The accompanying Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Proprietary Fund and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Port San Luis Harbor District.

The accompanying Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Proprietary Fund is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2016, on our consideration of the Port San Luis Harbor District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Remy & Hartshorn LLP

Santa Maria, California
March 15, 2016

Management's Discussion and Analysis

This section of Port San Luis Harbor District's ("District") annual financial report represents an analysis of the District's financial performance and financial condition for the year ended June 30, 2015. This information should be read in conjunction with the District's financial statements, which follow the Management's Discussion and Analysis.

Financial Highlights

- The District's government-wide net position was \$9,037,323 at June 30, 2015. The decrease in net position of \$2,262,256 included a prior period adjustment to record the District's Net Pension Liability and Deferred Pensions of \$2,699,542 and a net position increase from current year operations of \$437,286.
- Revenues of \$5,362,918 were \$123,728 or 2.3% less than prior year revenues. Service revenues increased by \$232,882, grant revenues decreased by \$494,753, while general revenues increased by \$138,143.
- Expenses of \$4,925,632 were \$63,766, or 1.3%, less than prior year.
- The District implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, effective July 1, 2014, and beginning fiscal year 2015 balances were restated to reflect the impact. The District's net pension liability of \$2,166,927 was allocated to Governmental Activities (\$1,556,396, or 71.8%) and Business-Type Activities (\$610,531, or 28.2%) and reduced their unrestricted net positions by a like amount.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information and statistical information in addition to the basic financial statements themselves.

Governmental-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the District's assets and liabilities, with the difference between the two reported as *net position*. 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 deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows and cash uses in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities and business-type activities include administration, operations, maintenance of structures and public infrastructure, and safety and services. Governmental activities are related to general public use, while business-type activities support services that require the user to pay rent, fees, or charges for the use of the service (mooring operations, RV park use, property leases, licenses, etc.).

The government-wide financial statements can be found on pages 11-13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the District can be divided into governmental funds and a proprietary fund.

Governmental Funds. *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 *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds are narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (page 16) and the Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities (page 18) provide users visibility as to the differences between the respective statements at June 30, 2015 and the current year changes thereto.

The District maintains two individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the capital outlay fund, both of which are considered to be major funds.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 14-18 of this report.

Proprietary Funds. The District maintains one proprietary (enterprise) fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-

wide financial statements. The District uses an enterprise fund to account for its activities that generate operating revenues such as 1) leases of real property to proprietors for restaurants, fish markets, fishing expeditions, mooring rentals, fuel, boat launching and bait and tackle shops 2) mooring rental for both recreational and fishing vessels 3) space storage for gear and trailer boats 4) overnight RV space rentals 5) parking and 6) boat haul out and repair facilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The District adopts an annual appropriated budget for its proprietary fund. A budgetary comparison statement has been provided for the enterprise fund to demonstrate compliance with this budget.

The proprietary fund financial statements can be found on pages 19-21 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-40 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's progress in funding its obligation to provide post-employment benefits for its retirees and the District's pension plans. Required supplementary information can be found on pages 41- 47 of this report.

Statistical section. The statistical section of the financial report offers operational, economic and historical data that provide a context for assessing the District's economic condition. It is designed to meet five objectives: 1) provide information on financial trends, 2) provide information on revenue capacity, 3) provide information on debt capacity, 4) provide demographic and economic information, and 5) provide operating information. The statistical section can be found on pages 48-59 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$9,037,323 at the close of the most recent fiscal year. Of this amount \$9,020,252 is invested in capital assets (net of debt) such as land, buildings, piers, beaches, machinery, and equipment. The District uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Additionally, the District has \$154,050 restricted for future capital projects. The remaining amount of (\$136,979) is unrestricted. Since this amount is negative, there are therefore no amounts available for unforeseen events, general operating purposes, capital asset replacement and for future development opportunities that will provide the District with additional revenue sources.

**Port San Luis Harbor District's Net Position
As of June 30th**

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	\$2,037,109	\$2,085,621	\$2,291,247	\$1,739,912	\$4,328,356	\$3,825,533
Capital assets	6,115,009	6,554,982	2,910,474	2,743,733	9,025,483	9,298,715
Total assets	<u>8,152,118</u>	<u>8,640,603</u>	<u>5,201,721</u>	<u>4,483,645</u>	<u>13,353,839</u>	<u>13,124,248</u>
Deferred pensions	149,294	-	136,229	-	285,523	-
Total deferred outflows of resources	<u>149,294</u>	<u>-</u>	<u>136,229</u>	<u>-</u>	<u>285,523</u>	<u>-</u>
Long-term liabilities	917,318	1,090,230	207,200	202,423	1,124,518	1,292,653
Net pension liability	1,556,396	-	610,531	-	2,166,927	-
Other liabilities	409,293	387,679	176,618	144,337	585,911	532,016
Total liabilities	<u>2,883,007</u>	<u>1,477,909</u>	<u>994,349</u>	<u>3,403,511</u>	<u>3,877,356</u>	<u>1,824,669</u>
Deferred pensions	520,504	-	204,179	-	724,683	-
Total deferred inflows of resources	<u>520,504</u>	<u>-</u>	<u>204,179</u>	<u>-</u>	<u>724,683</u>	<u>-</u>
Net position:						
Invested in capital assets, net of related debt	6,109,778	6,554,982	2,910,474	2,743,733	9,020,252	9,298,715
Restricted for capital projects	154,050	170,198	-	-	154,050	170,198
Unrestricted	<u>(1,365,927)</u>	<u>437,514</u>	<u>1,228,948</u>	<u>1,393,152</u>	<u>(136,979)</u>	<u>1,830,666</u>
Total net position	<u>\$4,897,901</u>	<u>\$7,162,694</u>	<u>\$4,139,422</u>	<u>\$4,136,885</u>	<u>\$9,037,323</u>	<u>\$11,299,579</u>

*The implementation of GASB 68 resulted in a prior period adjustment which decreased net position by \$2,699,542 (\$1,938,947 in the governmental activities and \$760,595 in business-type activities).

The District implemented GASB 68 and GASB 71 effective July 1, 2014. The beginning balance of the fiscal year net position was restated to reflect the impact of implementation.

There are three major components of GASB 68 and GASB 71 that affect the Statements of Net Position for the Government-wide and each of the Proprietary funds:

- Deferred pension contribution is the total amount of the 2014-15 fiscal year contributions. The contributions are deferred to 2015-16 because the net pension liability balance is one year in arrears.
- Net pension liabilities represent the actuarially valued liabilities for the Safety and Miscellaneous Pension Plans as of June 30, 2014.
- The difference between the expected and actual earnings on investments is the portion of investment gains that is deferred. The new accounting standard requires the differences between projected and actual investment returns be amortized on a straight-line basis over five years.

Compliance with GASB 68 requires that the District's net pension liability be recorded on the Statement of Net Position, which reduces unrestricted net position and, in some cases, creates a negative unrestricted net position or deficit.

During the year ended June 30, 2015, the District's government-wide net position increased by \$437,286. Program revenues were \$2,334,858 which includes \$328,456 in operating and capital grants and contributions. General revenues were \$3,028,060, consisting primarily of property tax revenues. Expenses of the District for the year ended June 30, 2015 totaled \$4,925,632.

Port San Luis Harbor District's Changes in Net Position
Fiscal year ended June 30th

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ -	\$ -	\$ 2,006,402	\$ 1,773,520	\$ 2,006,402	\$ 1,773,520
Operating grants and contributions	37,000	140,825	-	-	37,000	140,825
Capital grants and contributions	-	510,000	291,456	172,384	291,456	682,384
General revenues:						
Property taxes	3,011,338	2,832,841	-	-	3,011,338	2,832,841
Investment income & other	10,347	12,049	6,375	45,027	16,722	57,076
Total revenues	<u>3,058,685</u>	<u>3,495,715</u>	<u>2,304,233</u>	<u>1,990,931</u>	<u>5,362,918</u>	<u>5,486,646</u>
Expenses:						
Administration	1,316,743	1,098,715	725,515	904,244	2,042,258	2,002,959
Operations	105,034	219,691	365,736	345,664	470,770	565,355
Maintenance	1,156,489	1,095,533	439,270	385,272	1,595,759	1,480,805
Safety and services	806,265	800,251	10,580	12,496	816,845	812,747
Total expenses	<u>3,384,531</u>	<u>3,214,190</u>	<u>1,541,101</u>	<u>1,647,676</u>	<u>4,925,632</u>	<u>4,861,866</u>
Increase in net position	(325,846)	281,525	763,132	343,255	437,286	624,780
Net position, beginning of fiscal year	7,162,694	6,881,169	4,136,885	3,322,870	11,299,579	10,204,039
Prior period adjustment	(1,938,947)	-	(760,595)	470,760	(2,699,542)	470,760
Net position, beginning of fiscal year, restated	<u>5,223,747</u>	<u>-</u>	<u>3,376,290</u>	<u>3,793,630</u>	<u>8,600,037</u>	<u>3,793,630</u>
Net position, end of fiscal year	<u>\$ 4,897,901</u>	<u>\$ 7,162,694</u>	<u>\$ 4,139,422</u>	<u>\$ 4,136,885</u>	<u>\$ 9,037,323</u>	<u>\$ 11,299,579</u>

Governmental activities. Total revenues for the governmental activities for the year ended June 30, 2015 were \$3,058,685 including \$3,011,338 of property tax revenue and \$37,000 of operating and capital contributions and grants. Governmental activities expenses were \$3,384,531 resulting in a decrease in net position of \$325,846.

Business-type activities. Revenues for the business-type activities totaled \$2,304,233 for the fiscal year. Operating expenses were \$1,541,101. The excess of revenues over expenses resulted in an increase in net position of \$763,132 for the enterprise activities.

A prior period adjustment was made to comply with GASB 68 and GASB 71. This reduced net position by \$2,699,542, \$1,938,947 in governmental activities and \$760,595 in business-type activities.

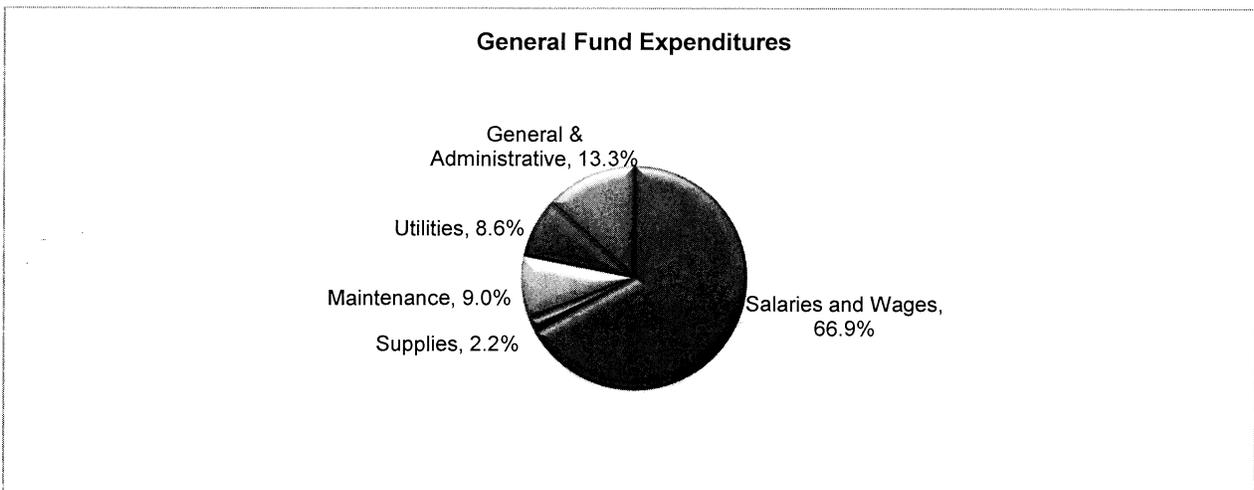
Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The governmental funds are represented by two funds, general governmental services (“general fund”) and capital projects. At June 30, 2015, the District’s governmental funds reported total assets of \$2,037,109 and a combined fund balance of \$1,655,228. Of the \$2,037,109 in assets \$1,997,537 is held in cash and investments. The liability balance was \$381,881 at June 30, 2015. Accordingly, current assets are sufficient to meet current obligations.

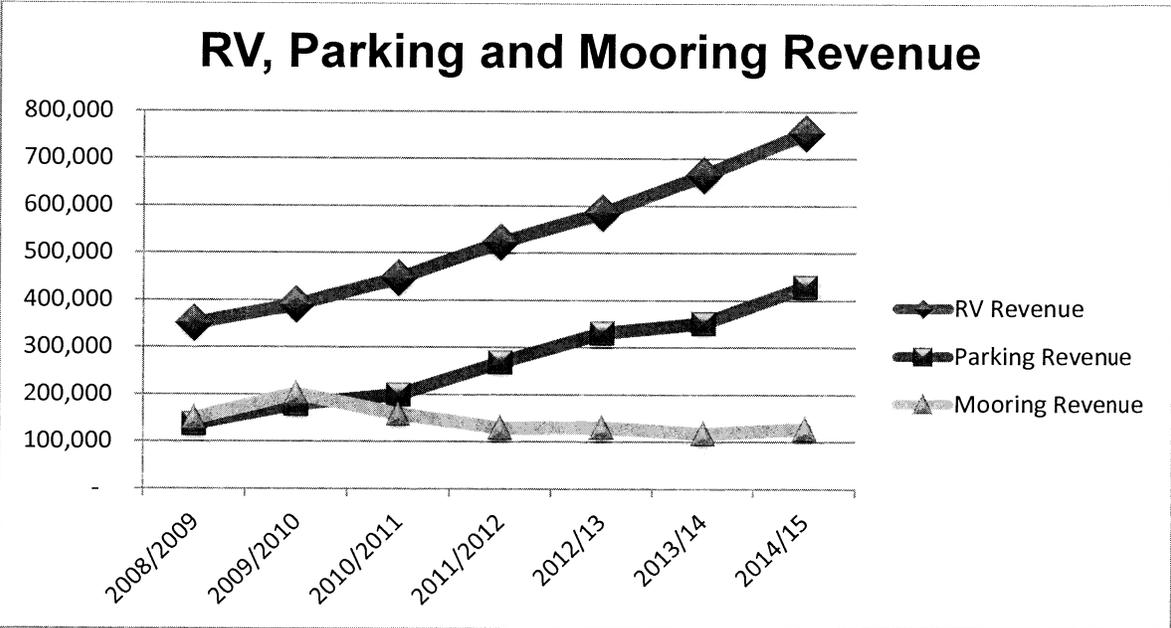
The general fund revenues were \$3,057,364 with \$3,011,338 coming from property tax revenue, \$35,679 from grants, and \$10,347 from use of money and property. This was an increase of \$115,899 from last year’s revenues of \$2,941,465.

General fund expenditures totaled \$3,092,309, a \$107,234 decrease from the prior year. The District paid an additional \$310,000 towards its pension-related liability during the 2013-14 fiscal year for a total payment of \$490,000 compared to the \$197,100 payment in 2014-15. Of the total expenditures, 66.9% is for salaries, wages and benefits, 13.3% for general and administrative, 8.6% for utilities and the remaining 11.2% for supplies and maintenance.

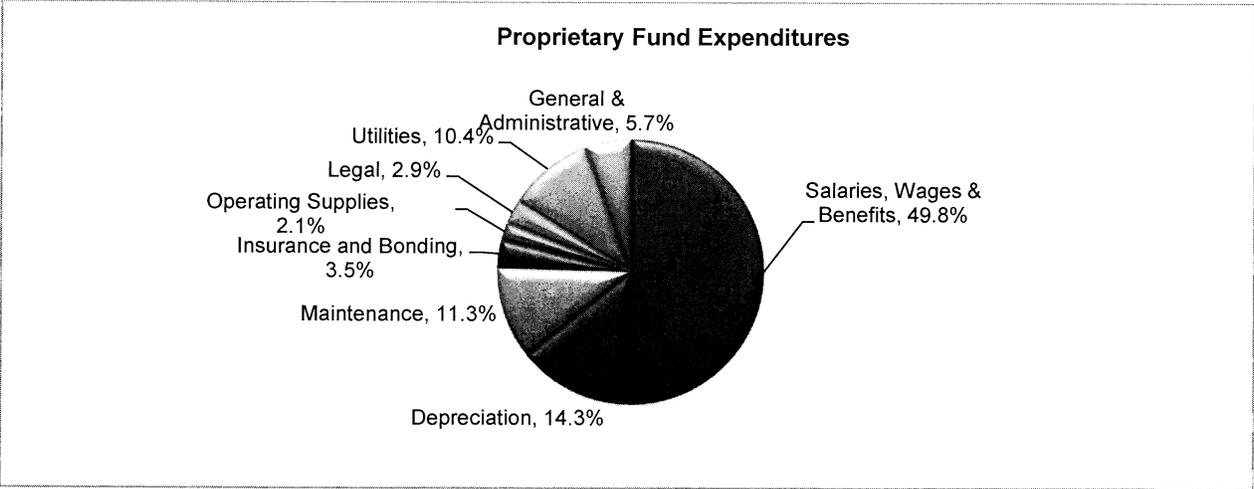


The capital projects fund had grant revenue of \$40,130 and project costs of \$56,278. The majority of the revenue and project costs were related to the Harford Pier breezeway, construction of the Olde Port Beach restrooms and harbor office improvements.

Proprietary funds. The proprietary fund carries on business-like activities. Operating revenues were \$2,006,402 for the fiscal year, an increase of \$232,882 over the prior year. This was primarily due to an increase in RV and Avila parking revenue. Other non-operating revenues totaled \$6,375.



Operating expenses were \$1,541,101 for the fiscal year, a \$106,575 or 6.5% decrease from the prior fiscal year. Approximately 49.8% of the costs are salaries, wages and benefits, 14.3% is depreciation and amortization, 10.4% is utilities, and 3.5% is insurance. The remaining 22.0% is for supplies, maintenance, legal services, and general and administrative costs.



General Fund Budgetary Highlights

The Final Budget included estimates of approximately \$2,969,900 in revenues and \$2,998,800 in expenditures, a decrease in fund balance of \$28,900. The actual net decrease in fund balance was \$33,624 or \$4,724 over budget.

Capital Assets

The District's investment of capital assets for its governmental and business-type activities as of June 30, 2015 amounts to \$9,025,483 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, District facilities, and piers. The total decrease in the District's investment in capital assets for the current fiscal year was 2.9%.

Port San Luis Harbor District's Capital Assets

	Governmental activities		Business-type activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 565,230	\$ 565,230	\$ 598,565	\$ 598,565	\$ 1,163,795	\$ 1,163,795
Buildings, facilities and improvements	12,141,464	11,113,673	5,336,464	4,497,112	17,477,928	15,610,785
Equipment and Machinery	1,284,639	1,249,165	696,338	692,578	1,980,977	1,941,743
Construction in progress	-	1,006,987	-	456,264	-	1,463,251
Less accumulated depreciation	(7,876,324)	(7,380,073)	(3,720,893)	(3,500,786)	(11,597,217)	(10,880,859)
Net capital assets	<u>\$ 6,115,009</u>	<u>\$ 6,554,982</u>	<u>\$ 2,910,474</u>	<u>\$ 2,743,733</u>	<u>\$ 9,025,483</u>	<u>\$ 9,298,715</u>

Capital asset events included the window replacement at the Harbor Office, mobile hoist pier repairs, a new District website, the addition of a drinking fountain at the Olde Port Beach restrooms, and a new oil spill response trailer.

Economic Factors and Next Year's Budget and Rates

The District's projected overall revenues, including grant revenue, for next year are \$6,613,200 while projected expenditures are \$6,938,400. The \$325,200 variance will be funded by assigned reserve balances. The District's 2015/16 budget outlook is in accord with expected economic conditions.

Request for Information

This financial report is designed to provide a general overview of the Port San Luis Harbor District's finances and to demonstrate the District's accountability for the money it receives. Questions about this report or requests for additional financial information should be addressed to the Port San Luis Harbor District, P.O. Box 249, Avila Beach, CA 93424.

PORT SAN LUIS HARBOR DISTRICT**STATEMENT OF NET POSITION**

June 30, 2015

	<u>Governmental Activities</u>	<u>Business -type Activities</u>	<u>Total</u>
ASSETS			
Cash and investments	\$ 1,997,537	\$ 2,135,390	\$ 4,132,927
Accounts receivable	6,326	54,865	61,191
Grants receivable	33,246	26,627	59,873
Interest receivable		3,420	3,420
Inventory		69,452	69,452
Prepaid expenses		1,493	1,493
Capital assets:			
Nondepreciable	565,230	598,565	1,163,795
Depreciable, net	5,549,779	2,311,909	7,861,688
 Total assets	 <u>8,152,118</u>	 <u>5,201,721</u>	 <u>13,353,839</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred pensions	<u>149,294</u>	<u>136,229</u>	<u>285,523</u>
 Total deferred outflows of resources	 <u>149,294</u>	 <u>136,229</u>	 <u>285,523</u>
LIABILITIES			
Accounts payable	65,203	32,071	97,274
Accrued expenses	44,724	19,114	63,838
Accrued interest payable	5,276		5,276
Unearned revenue	271,954	66,665	338,619
Refundable deposits		48,606	48,606
Noncurrent liabilities:			
Due within one year	22,136	10,162	32,298
Due in more than one year	917,318	207,200	1,124,518
Net pension liability	1,556,396	610,531	2,166,927
 Total liabilities	 <u>2,883,007</u>	 <u>994,349</u>	 <u>3,877,356</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred pensions	<u>520,504</u>	<u>204,179</u>	<u>724,683</u>
 Total deferred inflows of resources	 <u>520,504</u>	 <u>204,179</u>	 <u>724,683</u>
NET POSITION			
Net investment in capital assets	6,109,778	2,910,474	9,020,252
Restricted for capital projects	154,050		154,050
Unrestricted	(1,365,927)	1,228,948	(136,979)
 Total net position	 <u>\$ 4,897,901</u>	 <u>\$ 4,139,422</u>	 <u>\$ 9,037,323</u>

The notes to basic financial statements are an integral part of this statement.

PORT SAN LUIS HARBOR DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Governmental activities:				
Administration	\$ 1,316,743	\$ -	\$ 37,000	\$ -
Operations	105,034			
Maintenance	1,156,489			
Safety and services	806,265			
Total governmental activities	<u>3,384,531</u>		<u>37,000</u>	
Business-type activities:				
Administration	725,515	54,011		291,456
Operations	365,736	1,490,837		
Maintenance	439,270	429,162		
Safety and services	10,580	32,392		
Total business-type activities	<u>1,541,101</u>	<u>2,006,402</u>		<u>291,456</u>
Total government	<u>\$ 4,925,632</u>	<u>\$ 2,006,402</u>	<u>\$ 37,000</u>	<u>\$ 291,456</u>

General Revenues

Taxes:

Property taxes and assessments

Investment income and earnings

Other

Total general revenues

Change in net position

Net position, beginning of fiscal year

Prior period adjustment

Net position, beginning of fiscal year, restated

Net position, end of fiscal year

The notes to basic financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (1,279,743)	\$ -	\$ (1,279,743)
(105,034)		(105,034)
(1,156,489)		(1,156,489)
<u>(806,265)</u>		<u>(806,265)</u>
<u>(3,347,531)</u>		<u>(3,347,531)</u>
	(380,048)	(380,048)
	1,125,101	1,125,101
	(10,108)	(10,108)
	<u>21,812</u>	<u>21,812</u>
	<u>756,757</u>	<u>756,757</u>
<u>(3,347,531)</u>	<u>756,757</u>	<u>(2,590,774)</u>
3,011,338		3,011,338
10,347	3,078	13,425
	<u>3,297</u>	<u>3,297</u>
<u>3,021,685</u>	<u>6,375</u>	<u>3,028,060</u>
<u>(325,846)</u>	<u>763,132</u>	<u>437,286</u>
7,162,694	4,136,885	11,299,579
<u>(1,938,947)</u>	<u>(760,595)</u>	<u>(2,699,542)</u>
<u>5,223,747</u>	<u>3,376,290</u>	<u>8,600,037</u>
<u>\$ 4,897,901</u>	<u>\$ 4,139,422</u>	<u>\$ 9,037,323</u>

PORT SAN LUIS HARBOR DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
 June 30, 2015

	General Fund	Capital Projects Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 1,840,510	\$ 157,027	\$ 1,997,537
Accounts receivable	6,326		6,326
Grants receivable	<u>33,246</u>		<u>33,246</u>
 Total assets	 <u><u>\$ 1,880,082</u></u>	 <u><u>\$ 157,027</u></u>	 <u><u>\$ 2,037,109</u></u>

continued

The notes to basic financial statements are an integral part of this statement.

PORT SAN LUIS HARBOR DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Capital Projects Fund	Total
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 62,226	\$ 2,977	\$ 65,203
Payroll and related liabilities	44,724		44,724
Unearned revenue	271,954		271,954
Total liabilities	<u>378,904</u>	<u>2,977</u>	<u>381,881</u>
Fund Balances:			
Restricted:			
Capital projects		154,050	154,050
Assigned:			
Dredge	11,535		11,535
Facilities	125,500		125,500
Vehicle replacement	170		170
OPEB	41,400		41,400
Equipment	3,250		3,250
Building improvements	62,210		62,210
Hoist	9,500		9,500
Crane	14,738		14,738
Utility	45,800		45,800
Harbor Terrace	65,520		65,520
Computer equipment	10,729		10,729
Safety equipment	12,000		12,000
Coastal gateway	14,790		14,790
Waste treatment plant	20,000		20,000
Water tank	31,000		31,000
Discretionary	960		960
Unassigned	<u>1,032,076</u>		<u>1,032,076</u>
Total fund balances	<u>1,501,178</u>	<u>154,050</u>	<u>1,655,228</u>
Total liabilities and fund balances	<u>\$ 1,880,082</u>	<u>\$ 157,027</u>	<u>\$ 2,037,109</u>

The notes to basic financial statements are an integral part of this statement.

PORT SAN LUIS HARBOR DISTRICT
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total fund balances - governmental funds \$ 1,655,228

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	\$ 13,991,333	
Accumulated depreciation	<u>7,876,324</u>	6,115,009

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported.

Long-term liabilities and interest payable relating to governmental activities consist of:

OPEB payable	\$ 251,431	
Capital lease obligation	5,231	
Note payable	488,359	
Net pension liability	1,556,396	
Compensated absences payable	<u>194,433</u>	(2,495,850)

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of net position, it is recognized in the period that it is incurred. (5,276)

Deferred outflows and inflows of resources relating to pension: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred inflows of resources relating to pensions	(520,504)	
Deferred outflows of resources relating to pensions	<u>149,294</u>	<u>(371,210)</u>

Total net position - governmental activities \$ 4,897,901

The notes to basic financial statements are an integral part of this statement.

PORT SAN LUIS HARBOR DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Fiscal Year Ended June 30, 2015

	General Fund	Capital Projects Fund	Total
Revenues:			
Property taxes and assessments	\$ 3,011,338	\$ -	\$ 3,011,338
Grant income	35,679	40,130	75,809
Use of money and property	10,347		10,347
Total revenues	3,057,364	40,130	3,097,494
Expenditures:			
Salaries and wages	1,208,488		1,208,488
Employee benefits	740,341		740,341
Contract services	118,723		118,723
Supplies	67,900		67,900
Maintenance	279,781		279,781
Capital outlay		56,278	56,278
Utilities	266,779		266,779
General and administrative	410,297		410,297
Total expenditures	3,092,309	56,278	3,148,587
Excess of revenues over (under) expenditures	(34,945)	(16,148)	(51,093)
Other Financing Sources (Uses):			
Insurance proceeds	1,321		1,321
Total other financing sources (uses)	1,321		1,321
Net change in fund balances	(33,624)	(16,148)	(49,772)
Fund balances, beginning of fiscal year	1,534,802	170,198	1,705,000
Fund balances, end of fiscal year	<u>\$ 1,501,178</u>	<u>\$ 154,050</u>	<u>\$ 1,655,228</u>

The notes to basic financial statements are an integral part of this statement.

PORT SAN LUIS HARBOR DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2015

Net change in fund balances - governmental funds	\$ (49,772)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>	
<p>Capital outlays are reported in the governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay additions of \$56,278 was less than depreciation expense of \$496,251 in the period.</p>	(439,973)
<p>In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities.</p>	165,595
<p>In governmental funds, expenses incurred during the period but not expended to be liquidated with expendable available financial resources are not recorded. In the government-wide statements, these expenses are recorded during the period related to the liabilities that are still outstanding at year-end.</p>	1,782
<p>In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amount paid). This fiscal year, vacation used exceeded the amounts earned by \$27,577.</p>	27,577
<p>In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This fiscal year, the difference between OPEB costs and actual employer contributions was:</p>	(42,396)
<p>In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pensions costs of \$499,153 and actual employer contributions of \$127,943 plus current year changes in net pension liability of \$382,551 was:</p>	<u>11,341</u>
Change in net position - governmental activities	<u><u>\$ (325,846)</u></u>

The notes to basic financial statements are an integral part of this statement.

PORT SAN LUIS HARBOR DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2015

	<u>Enterprise Fund</u>
ASSETS	
Current Assets:	
Cash and investments	\$ 2,135,390
Accounts receivable, net of allowance	54,865
Grants Receivable	26,627
Interest receivable	3,420
Prepaid expenses	1,493
Inventory	69,452
	<u>2,291,247</u>
Total current assets	
Capital Assets:	
Land	598,565
Plant and facilities	5,336,464
Machinery and equipment	696,338
Less: accumulated depreciation	<u>(3,720,893)</u>
Net capital assets	<u>2,910,474</u>
Total assets	<u>5,201,721</u>
Deferred Outflows of Resources	
Deferred pensions	<u>136,229</u>
Total deferred outflows of resources	<u>136,229</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	32,071
Payroll and related items	19,114
Unearned revenue	66,665
Deposits	48,606
Compensated absences	10,162
Total current liabilities	<u>176,618</u>
Noncurrent Liabilities:	
Compensated absences	91,459
OPEB payable	115,741
Net pension liability	610,531
Total noncurrent liabilities	<u>817,731</u>
Total liabilities	<u>994,349</u>
Deferred Inflows of Resources	
Deferred pensions	<u>204,179</u>
Total deferred inflows of resources	<u>204,179</u>
Net Position	
Net investment in capital assets	2,910,474
Unrestricted	1,228,948
Total net position	<u>\$ 4,139,422</u>

The notes to basic financial statements are an integral part of this statement.

PORT SAN LUIS HARBOR DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2015

	<u>Enterprise Fund</u>
Operating Revenues:	
Moorage operations	\$ 127,548
Service charges and fees	518,166
Leases, licenses, and rentals	1,340,205
Diesel sales	<u>20,483</u>
Total operating revenues	<u>2,006,402</u>
Operating Expenses:	
Salaries and wages	501,672
Payroll taxes and benefits	256,836
Contract labor	9,601
Depreciation	220,107
Maintenance and repairs	173,950
Insurance and bonding	53,421
Operating supplies	32,239
Legal	45,283
Utilities	160,750
General and administrative overhead	<u>87,242</u>
Total operating expenses	<u>1,541,101</u>
Operating income	<u>465,301</u>
Non-Operating Income (Expenses):	
Investment income and earnings	3,078
Miscellaneous income	<u>3,297</u>
Total non-operating revenues (expenses)	<u>6,375</u>
Capital Contributions:	
Grant revenue	<u>291,456</u>
Total capital contributions	<u>291,456</u>
Change in net position	<u>763,132</u>
Total net position, beginning of fiscal year	4,136,885
Prior period adjustment	<u>(760,595)</u>
Total net position, beginning of fiscal year-restatated	<u>3,376,290</u>
Total net position, end of fiscal year	<u><u>\$ 4,139,422</u></u>

The notes to basic financial statements are an integral part of this statement.

PORT SAN LUIS HARBOR DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2015

	Enterprise Fund
Cash Flows From Operating Activities:	
Receipts from customers and users	\$ 2,041,436
Payments to suppliers	(573,595)
Payments to employees	(821,934)
Net cash provided by operating activities	<u>645,907</u>
Cash Flows from Capital and Related Financing Activities:	
Grant revenue received	301,222
Purchase of capital assets	(386,848)
Net cash used by capital and related financing activities	<u>(85,626)</u>
Cash Flows from Non-Capital and Related Financing Activities:	
Miscellaneous revenues	3,297
Net cash provided by non-capital and related financing activities	<u>3,297</u>
Cash Flows from Investing Activities:	
Investment income	2,262
Net cash provided by investing activities	<u>2,262</u>
Net increase in cash and cash equivalents	565,840
Cash and cash equivalents, beginning of fiscal year	<u>1,569,550</u>
Cash and cash equivalents, end of fiscal year	<u>\$ 2,135,390</u>
Reconciliation to Statement of Net Position:	
Cash and investments	<u>\$ 2,135,390</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 465,301
Adjustments to reconcile operating loss to net cash provided by operating activities	
Depreciation	220,107
Change in operating assets, liabilities, deferred outflows, and deferred inflows:	
(Increase) decrease in accounts receivable	(461)
(Increase) decrease in prepaid expenses	89
(Increase) decrease in inventory	5,927
(Increase) decrease in deferred outflows	(67,935)
Increase (decrease) in accounts payable	(21,351)
Increase (decrease) in accrued payroll	3,749
Increase (decrease) in unearned revenue	6,060
Increase (decrease) in deposits	33,661
Increase (decrease) in accrued compensation	(5,518)
Increase (decrease) in net pension liability	(218,358)
Increase (decrease) in deferred inflows	204,179
Increase (decrease) in OPEB payable	20,457
Net cash provided by operating activities	<u>\$ 645,907</u>

The notes to basic financial statements are an integral part of this statement.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Port San Luis Harbor District (District) was formed on January 27, 1954, under the California Harbors and Navigation Code. It is governed by an elected board of five commissioners. The District was created to provide stewardship for the use and development of the land and water areas under its jurisdiction.

B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation

The accounting methods and procedures adopted by the District conform to generally accepted accounting principles as applied to governmental entities.

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental activities and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the District.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation (Continued)

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified - accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. Revenue recognition is subject to the measurable and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources,” since they do not represent net current assets. Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the fiscal year that resources were expended, rather than as capital assets. The proceeds of long-term debt are recorded as an *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenditures/expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

The District reports the following major governmental funds:

The *General Fund* is the District’s primary operating fund. The General Fund is used to account for all revenues and expenditures necessary to carry out the basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund includes such activities as public protection, public ways and facilities, and recreational services.

The *Capital Projects Fund* is used to account for financial resources to be used for the acquisition or construction of major capital assets and facilities (other than those financed by proprietary funds).

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Accounting, Measurement Focus, and Financial Statements Presentation (Continued)

The District reports the following major proprietary fund:

The *Enterprise Fund* is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciation) of goods or services to the general public on a continuing basis are financed or recovered primarily through user charges.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes.

Proprietary funds distinguish *operating* revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with proprietary funds' principal ongoing operations.

C. Budgetary Basis of Accounting

In accordance with the provisions of 6093.3 of the California Harbors and Navigation Code, the District prepares and legally adopts a final budget for each fiscal year on or before August 30. Budgeted expenditures are approved through a resolution to adopt the final budget. This resolution mandates the maximum authorized expenditures for the fiscal year and cannot be exceeded unless subsequent amendments to the budget are approved by the District's Board of Commissioners.

A preliminary budget is adopted each fiscal year. Expenditures are controlled at the budget category within the budget fund for the District. The budget category within a budget fund is the level at which expenditures may not legally exceed appropriations. Any amendments or transfers of appropriations between budget categories within the same budget fund are authorized by the District Manager's office and must be approved by the Board of Commissioners. Supplementary appropriations normally financed by unanticipated revenues during the fiscal year must be approved by the Board of Commissioners. Budgeted amounts in the budgetary financial schedules are reported as originally adopted and as amended during the fiscal year as approved by the Board of Commissioners.

D. Cash and Cash Equivalents

Cash includes amounts in demand deposits, as well as short-term investments with a maturity date within three months of the date required.

The District follows the practice of pooling cash and investments, which represent deposits, time certificates of deposit, and U.S. Government securities. The securities are stated at fair market value.

The District considers all cash and investments held in the Treasury and mutual funds as cash equivalents.

E. Investments

Investments are stated at fair value.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Inventories

Inventories in the enterprise fund consist of fuel and mooring equipment. Inventory for fuel is valued at the lower of cost (first-in, first-out) or market. Inventory for mooring equipment is valued at first-in first-out.

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and estimated useful life exceeding one reporting period.

Capital assets include public domain (infrastructure) capital assets consisting of certain improvements including roads, streets, sidewalks, piers, and storm drains.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the applicable governmental or business-type activity column in the government-wide financial statements. Depreciation is charged as an expense against operations. The estimated useful lives are as follows:

Equipment	2 to 10 years
Improvements	5 to 60 years

I. Long-term Obligations

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

J. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Sick and vacation pay is accrued when incurred in the government-wide and proprietary fund statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

K. Fund Balances

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance – represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance – represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance – represents amounts that can only be used for a specific purpose because of a formal action by the District's governing board. Committed amounts cannot be used for any other purpose unless the governing board removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing board. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Fund Balances (Continued)

Assigned Fund Balance – represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing board or by an official or body to which the governing board delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service, or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund’s primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the District.

Unassigned Fund Balance – represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenses/expenditures in the reimbursing fund and as reductions of expenses/expenditures in the fund that is reimbursed.

All other interfund transactions except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, “*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*,” and GASB Statement No. 65, “*Items Previously Reported as Assets and Liabilities*,” the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources as a consumption of net position by the government that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category; refer to Note 8 for a detailed listing of the deferred outflows of resources the District has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category; refer to Note 8 for a detailed listing of the deferred inflows of resources the District has reported.

N. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, “*Accounting and Financial Reporting for Pensions*.” This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of GASB Statement No. 27, “*Accounting for Pensions by State and Local Governmental Employers*” as well as the requirements of GASB Statement No. 50, “*Pension Disclosures*.”

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 1 – REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. New Accounting Pronouncements (Continued)

Governmental Accounting Standards Board Statement No. 68 (Continued)

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Implementation of the GASB Statement No. 68 and the impact on the District’s financial statements are explained in Note 8- Pension Plans and Note 12-Prior Period Adjustment.

Governmental Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 71, “Pension Transition for Contributions Made Subsequent to the Measurement Date.” This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68, “Accounting and Financial Reporting for Pensions.” The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and non-employer contributing entities. Implementation of the GASB Statement No. 71 and the impact on the District’s financial statements are explained in Note 8- Pension Plans and Note 12-Prior Period Adjustment.

NOTE 2 - CASH AND INVESTMENTS

The District pools idle cash from all funds for the purpose of increasing income through investment. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balances of each fund.

On June 30, 2015, the District had the following cash and investments:

Deposits:	
Cash on hand	\$ 930
Cash in banks	<u> 285,889</u>
	<u> 286,819</u>
Pooled Investment Funds:	
Cash and investments in San Luis Obispo	
County Treasury	45,042
State of California Local Agency Investment Fund (LAIF)	<u> 3,460,614</u>
	<u> 3,505,656</u>
Investments:	
U.S. Government Securities Fund	<u> 340,452</u>
	<u> 340,452</u>
Total Cash and Investments	<u><u> \$ 4,132,927</u></u>

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

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

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Notes, bonds	5 YR	100%	No Limit
Federal Agencies	5 YR	100%	No Limit
Federal Instrumentalities	5 YR	100%	No Limit
State and Local Agencies			
District's Own Bonds	5 YR	100%	No Limit
State Instruments	5 YR	10%	No Limit
Other Local Agency (within CA Only)	5 YR	10%	No Limit
Repurchase Agreements/Reserve repurchase agreements	1 YR	20%	No Limit
Prime Commercial Paper	270 days	15%	10%
Bankers' Acceptances	180 days	40%	30%
Collateralized Bank Deposits	5 YR	100%	No Limit
Medium-Term Notes	5 YR	30%	No Limit
Local Agency Investment Fund (LAIF)	N/A	100%	No Limit
Money Market Mutual Funds	1 YR	15%	No Limit
Mutual Funds	N/A	20%	10%
Negotiable Certificates of Deposit	5 YR	30%	No Limit
Mortgage Pass-Through Securities	5 YR	20%	No Limit
County Investment Pool	N/A	100%	No Limit

Disclosures 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.

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity:

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13-24 Months</u>	<u>25-60 Months</u>	<u>More than 60 Months</u>
San Luis Obispo County Investment Pool	\$ 45,042	\$ 45,042	\$ -	\$ -	\$ -
U.S. Government Securities Fund	340,452	340,452			
LAIF	<u>3,460,614</u>	<u>3,460,614</u>			
Total	<u>\$ 3,846,108</u>	<u>\$ 3,846,108</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 2 - CASH AND INVESTMENTS (Continued)

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 rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District's investment policy, and the actual rating as of fiscal year end for each investment type.

<u>Investment Type</u>	<u>Carrying Amount</u>	<u>Minimum Legal Rating</u>	<u>Exempt From Disclosure</u>	<u>Rating as of Fiscal Year End</u>		
				<u>AAA</u>	<u>AA</u>	<u>Not Rated</u>
San Luis Obispo County Investment Pool	\$ 45,042	N/A	\$ -	\$ -	\$ -	\$ 45,042
U.S. Government Securities Fund	340,452	N/A		340,452		
LAIF	<u>3,460,614</u>	N/A				<u>3,460,614</u>
Total	<u>\$ 3,846,108</u>		<u>\$ -</u>	<u>\$ 340,452</u>	<u>\$ -</u>	<u>\$ 3,505,656</u>

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of total District investments.

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 and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code 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 (unless so waived by the governmental unit). The fair 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 the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

None of the District's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

NOTE 3 - PROPERTY TAXES

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Tax Collections - are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the county for late payments.

Tax Levy Apportionments - Due to the nature of the District-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total District-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees - The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and is reported as an administrative expense.

Tax Levies - are limited to 1% of fair value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax Levy Dates - are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Property Valuations - are established by the Assessor of the County of San Luis Obispo for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of fair value. From the base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 4 – CAPITAL ASSETS

	Balance July, 1 2014	Additions	Deletions	Reclassification	Balance June 30, 2015
Governmental Activities					
Nondepreciable capital assets:					
Land	\$ 565,230	\$ -	\$ -	\$ -	\$ 565,230
Construction in progress	1,006,987			(1,006,987)	
Total nondepreciable capital assets	<u>1,572,217</u>			<u>(1,006,987)</u>	<u>565,230</u>
Depreciable capital assets:					
Buildings and improvements	11,113,673	20,804		1,006,987	12,141,464
Equipment	1,249,165	35,474			1,284,639
Total depreciable capital assets	12,362,838	56,278		1,006,987	13,426,103
Less accumulated depreciation	7,380,073	496,251			7,876,324
Net depreciable capital assets	<u>4,982,765</u>	<u>(439,973)</u>		<u>1,006,987</u>	<u>5,549,779</u>
Net capital assets	<u>\$ 6,554,982</u>	<u>\$ (439,973)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,115,009</u>

	Balance July, 1 2014	Additions	Deletions	Reclassification	Balance June 30, 2015
Business-Type Activities					
Nondepreciable capital assets:					
Land	\$ 598,565	\$ -	\$ -	\$ -	\$ 598,565
Construction in progress	456,264			(456,264)	
Total nondepreciable capital assets	<u>1,054,829</u>			<u>(456,264)</u>	<u>598,565</u>
Depreciable capital assets:					
Plant and facilities	4,497,112	383,088		456,264	5,336,464
Machinery and equipment	692,578	3,760			696,338
Total depreciable capital assets	5,189,690	386,848		456,264	6,032,802
Less accumulated depreciation	3,500,786	220,107			3,720,893
Net depreciable capital assets	<u>1,688,904</u>	<u>166,741</u>		<u>456,264</u>	<u>2,311,909</u>
Net capital assets	<u>\$ 2,743,733</u>	<u>\$ 166,741</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,910,474</u>

Depreciation expense was charged as follows:

Governmental Activities	\$ 496,251
Business-type Activities	220,107
	<u>\$ 716,358</u>

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 5 – LONG-TERM DEBT

Changes in long-term liabilities

The following is a summary of long-term liabilities activity for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Additions	Deletions	Prior Period Adjustment	Balance June 30, 2015	Due Within One Year
Governmental activities:						
OPEB payable	\$ 209,035	\$ 51,915	\$ 9,519	\$ -	\$ 251,431	\$ -
Net pension liability		834,646	1,391,296	2,113,046	1,556,396	
Note payable	651,467		163,108		488,359	
Capital lease payable	7,718		2,487		5,231	2,693
Compensated absences	222,010	15,291	42,868		194,433	19,443
	<u>\$ 1,090,230</u>	<u>\$ 901,852</u>	<u>\$ 1,609,278</u>	<u>\$ 2,113,046</u>	<u>\$ 2,495,850</u>	<u>\$ 22,136</u>
Business-type activities:						
OPEB payable	\$ 95,284	\$ 25,050	\$ 4,593	\$ -	\$ 115,741	\$ -
Net pension liability		327,408	545,766	828,889	610,531	
Compensated absences	107,139	6,015	11,533		101,621	10,162
	<u>\$ 202,423</u>	<u>\$ 358,473</u>	<u>\$ 561,892</u>	<u>828,889</u>	<u>\$ 827,893</u>	<u>\$ 10,162</u>

A. Compensated Absences

A total of twelve to twenty days vacation and twelve days sick leave per year may be accumulated by each employee. Employees may only accumulate vacation time up to 240 hours and sick leave up to 960 hours. The District accrues a liability for compensated absences which meet the following criteria.

- A. The District’s obligation relating to employees’ rights to receive compensation for future absences is attributable to employees services already rendered.
- B. The obligation is related to rights that vest or accumulate.
- C. Payment of the compensation is probable.
- D. The amount can be reasonably estimated.

B. Tax and Revenue Anticipation Note

On January 22, 2013, the District entered into a Note Purchase Contract with San Luis Obispo County Treasurer in an amount not to exceed \$1,200,000. The Note is in the form of a Tax Revenue Anticipation Note (TRAN) which pledges property tax revenues for payment of principal and interest on the Note. The principal amount borrowed of \$1,116,378 was used to pay-down side fund retirement liabilities with CalPERS. The Note’s annual interest rate is 2.60% versus the side fund retirement liability interest rate of 7.5% previously paid by the District to CalPERS. Interest payments are due annually on January 31 and the principal payment was due on January 30, 2018. During the 2013/2014 fiscal year, the District prepaid \$464,911 towards the principal due. On January 31, 2015, the District prepaid \$163,108 towards the principal balance. The updated payment schedule is as follows:

Fiscal Year Ending June 30	Principal	Interest
2016	\$ -	12,698
2017		12,698
2018	488,359	7,444
	<u>\$ 488,359</u>	<u>\$ 32,840</u>

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 6 – CAPITAL LEASE PAYABLE

On March 6, 2012, the District entered into a capital lease agreement with Avaya Financial Services for a new phone system. The lease carries an interest rate of 7.99% with 60 monthly payments of \$251.18. Future minimum lease payments are as follows:

Fiscal Year Ending <u>June 30</u>	<u>Amount</u>
2016	3,014
2017	<u>2,634</u>
Total minimum lease payments	5,648
Less amount representing interest	<u>(417)</u>
Present value on net minimum lease payments	<u><u>\$ 5,231</u></u>

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

Plan Description

The District provides a defined benefit healthcare plan (the “Retiree Health Plan”). The Retiree Health Plan provides lifetime healthcare insurance for eligible retirees through the CalPERS Health Benefit Program, which covers both active and retired members. Spouses are also covered throughout his or her life. The District only pays the required minimum employer premium each year. For calendar year 2015, the required minimum contribution was \$122 per month and is adjusted based on the medical care portion of the Consumer Price Index. Benefit provisions are established by the Board of Commissioners.

Funding Policy

The District’s Board of Commissioners will not be funding the plan in the current fiscal year. The Board will review the funding requirements and policy annually. However, the Board of Commissioners assigned \$41,400 of the general fund balance for future OPEB liabilities.

Annual OPEB Cost and Net OPEB Obligation

The District’s annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The District has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over the remaining period of 30 years. The following table shows the components of the District’s annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in its net OPEB obligation to the Retiree Health Plan:

Annual Required Contribution	\$ 73,591
Interest on net OPEB obligation	12,173
Adjustment to annual required contribution	<u>(8,799)</u>
Annual OPEB cost (expense)	76,965
Contributions made	<u>14,112</u>
Increase in net OPEB obligation	62,853
Net OPEB obligation - beginning of fiscal year	<u>304,319</u>
Net OPEB obligation - end of fiscal year	<u><u>\$ 367,172</u></u>

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (continued)

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for the current fiscal year is as follows:

Fiscal Year Ended	OPEB Cost	Actual Contribution	Cost Contributed	Net OPEB Obligation
June 30, 2011	\$ 64,013	4,243	7%	\$ 128,827
June 30, 2012	\$ 63,991	5,719	9%	\$ 187,099
June 30, 2013	\$ 63,970	9,805	15%	\$ 241,264
June 30, 2014	\$ 76,266	13,211	17%	\$ 304,319
June 30, 2015	\$ 76,965	14,112	18%	\$ 367,172

Funding Status and Funding Progress

As of July 1, 2013, the actuarial accrued liability (AAL) for benefits was \$821,325, all of which was unfunded.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrences of events far into the future. Examples include assumptions about future employment, mortality and healthcare cost trends. Amount determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress present multiyear trend information about whether the actuarial value of the Plan’s assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term prospective of the calculations.

NOTE 8 – PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District’s separate Safety (Police) and Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District 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 retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Pre-Retirement Option Settlement. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 – PENSION PLAN (Continued)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

Contribution rates are based on the Actuarial Valuation Report as of June 30, 2012. The Plans' provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Classic Member Hired Prior to January 1, 2013*	New Member Hired On or after January 1, 2013
Hire Date		
Benefit formula	2.7% @ 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 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.25%
Required employer contribution rates	16.086%	6.25%

	Safety	
	Classic Member Hired Prior to January 1, 2013*	New Member Hired On or after January 1, 2013
Hire Date		
Benefit formula	3% @ 50	2% @ 50
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%
Required employee contribution rates	9%	11.50%
Required employer contribution rates	26.881%	11.50%

* A new employee may transfer into the Classic Member formula if he/she comes from another agency participating in the CalPERS or reciprocal retirement system and did not have more than a six month break in service.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is 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. Contributions to the pension plan from the District were \$80,592 for the Safety Plan and \$175,204 for the Miscellaneous Plan for the fiscal year ended June 30, 2015.

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PENSION PLAN (Continued)

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

At June 30, 2015, the District reported net pension liabilities for its proportionate shares of the net position liability of each Plan as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 1,719,806
Safety	447,121
	<u>\$ 2,166,927</u>

The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2014, the District's proportionate share of the net pension liability for each Plan as of June 30, 2013 and June 30, 2014 was as follows:

	Miscellaneous	Safety
Proportion-June 30, 2013	0.02764%	0.00719%
Proportion-June 30, 2014	0.02764%	0.00719%
Change-Increase (Decrease)	0.00000%	0.00000%

For the year ended June 30, 2015, the District recognized pension expense of \$162,342. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions		
Net difference between projected and actual earnings on retirement plan investments		712,935
Changes in proportion and differences between District contributions and proportionate share of contributions		
District contributions subsequent to the measurement date	255,797	
Adjustment due to differences in proportion	29,726	11,748
	<u>\$ 285,523</u>	<u>\$ 724,683</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner.

\$255,797 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 8 – PENSION PLAN (Continued)

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

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expenses as follows:

Fiscal year Ending June 30,	Amount
2016	\$ (171,814)
2017	(171,814)
2018	(173,096)
2019	(178,233)
	<u>\$ (694,957)</u>

Actuarial Assumptions

The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Payroll Growth	3%	3%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.50%	7.50%
Mortality	Derived using CalPERS' Membership Data for all Funds (1)	Derived using CalPERS' Membership Data for all Funds (1)

(1) Net of pension plan investment and administrative expenses including inflation

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table please refer to the 2014 experience study report.

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.5 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website. According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 – PENSION PLAN (Continued)

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

Discount Rate (Continued)

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB No. 67 and No. 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits were calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

(a) An expected inflation of 2.5% was used for this period.

(b) An expected inflation of 3.0% was used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1- percentage point higher (8.5 percent) than the current rate:

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 – PENSION PLAN (Continued)

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate (Continued)

		<u>Miscellaneous</u>		<u>Safety</u>
1% Decrease		6.50%		6.50%
Net Pension Liability	\$	3,064,162	\$	769,437
Current Discount Rate		7.50%		7.50%
Net Pension Liability	\$	1,719,806	\$	447,121
1% Increase		8.50%		8.50%
Net Pension Liability	\$	604,117	\$	181,546

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

At June 30, 2015, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2015.

NOTE 9 – NET POSITION

The government-wide activity and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the District, not restricted for any project or other purpose.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

State and Federal Financial Assistance

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

Litigation

According to the District’s staff and attorney, no contingent liabilities are outstanding and no lawsuits are pending of any real financial consequence.

PORT SAN LUIS HARBOR DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 11 – RISK MANAGEMENT

Consistent with the requirements of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the District's risk management activities are managed in the District's purchased insurance policies.

NOTE 12 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$(1,938,947) was made to the governmental activities which affects the statement of net position. The prior period adjustment was to record net pension liability of \$(2,113,046) and deferred outflows of \$174,099 due to the implementation of GASB Statements No. 68 and 71. A prior period adjustment of \$(760,595) was made to the business-type activities and the enterprise fund which affects the statement of net position. The prior period adjustment was to record net pension liability of \$(828,889) and deferred outflows of \$68,294 due to the implementation of GASB Statements No. 68 and 71.

REQUIRED SUPPLEMENTARY INFORMATION

PORT SAN LUIS HARBOR DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Property taxes and assessments	\$ 2,839,500	\$ 2,879,500	\$ 3,011,338	\$ 131,838
Grant income	75,000	75,000	35,679	(39,321)
Use of money and property	15,400	15,400	10,347	(5,053)
Total revenues	<u>2,929,900</u>	<u>2,969,900</u>	<u>3,057,364</u>	<u>87,464</u>
Expenditures:				
Salaries and wages	1,248,800	1,248,800	1,208,488	40,312
Employee benefits	729,200	729,200	740,341	(11,141)
Contract services	99,100	99,100	118,723	(19,623)
Supplies	67,600	72,600	67,900	4,700
Maintenance	145,300	150,300	279,781	(129,481)
Utilities	241,100	271,100	266,779	4,321
General and administrative	427,700	427,700	410,297	17,403
Total expenditures	<u>2,958,800</u>	<u>2,998,800</u>	<u>3,092,309</u>	<u>(93,509)</u>
Excess of revenues over (under) expenditures	<u>(28,900)</u>	<u>(28,900)</u>	<u>(34,945)</u>	<u>(6,045)</u>
Other Financing Sources (Uses):				
Insurance proceeds			1,321	1,321
Total other financing sources (uses)			<u>1,321</u>	<u>1,321</u>
Net change in fund balance	(28,900)	(28,900)	(33,624)	(4,724)
Fund balance, beginning of fiscal year	<u>1,534,802</u>	<u>1,534,802</u>	<u>1,534,802</u>	
Fund balance, end of fiscal year	<u>\$ 1,505,902</u>	<u>\$ 1,505,902</u>	<u>\$ 1,501,178</u>	<u>\$ (4,724)</u>

PORT SAN LUIS HARBOR DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS
OTHER THAN PENSIONS
For the Fiscal Year Ended June 30, 2015

The following table provides required supplementary information regarding the District's postemployment healthcare benefits.

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age (a)	Actuarial Value of Assets (b)	Unfunded Liability (UAAL) (a-b)	Funded Status (b/a)	Annual Covered Payroll (c)	UAAL as a % of payroll ([a-b]/c)
7/1/2009	\$ 564,431	\$ -	\$ 564,431	0%	\$ 1,342,761	42.0%
7/1/2010	\$ 493,493	\$ -	\$ 493,493	0%	\$ 1,349,423	36.6%
7/1/2013	\$ 821,325	\$ -	\$ 821,325	0%	\$ 1,520,000	54.0%

PORT SAN LUIS HARBOR DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 Miscellaneous Plan
 Last 10 Years*
 As of June 30, 2015

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2015</u>
Proportion of the net pension liability	0.02764%
Proportionate share of the net pension liability	\$ 1,719,806
Covered- employee payroll	\$ 1,087,218
Proportionate share of the net pension liability as percentage of covered-employee payroll	158.18%
Plan's total pension liability	\$ 13,110,948,452
Plan's fiduciary net position	\$ 10,639,461,174
Plan fiduciary net position as a percentage of the total pension liability	81.15%

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

PORT SAN LUIS HARBOR DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
Safety Plan
Last 10 Years*
As of June 30, 2015

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2015</u>
Proportion of the net pension liability	0.00719%
Proportionate share of the net pension liability	\$ 447,121
Covered- employee payroll	\$ 296,098
Proportionate share of the net pension liability as percentage of covered-employee payroll	151.00%
Plan's total pension liability	\$ 17,719,018,179
Plan's fiduciary net position	\$ 13,968,041,341
Plan fiduciary net position as a percentage of the total pension liability	78.83%

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

PORT SAN LUIS HARBOR DISTRICT
SCHEDULE OF CONTRIBUTIONS
 Miscellaneous Plan
 Last 10 Years*
 As of June 30, 2015

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 174,950
Contribution in relation to the actuarially determined contributions	<u>174,950</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered- employee payroll	\$ 1,180,265
Contributions as a percentage of covered-employee payroll	14.82%

Notes to Schedule

Valuation Date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Asset valuation method	5-year smoothed market
Amortization method	Level percentage of payroll, closed
Discount rate	7.50%
Price Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation
Mortality	Derived using CalPERS' Membership data for all funds.
Post Retirement Benefit	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

PORT SAN LUIS HARBOR DISTRICT
SCHEDULE OF CONTRIBUTIONS
 Safety Plan
 Last 10 Years*
 As of June 30, 2015

The following table provides required supplementary information regarding the District's Pension Plan.

	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 80,846
Contribution in relation to the actuarially determined contributions	<u>80,846</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered- employee payroll	\$ 296,138
Contributions as a percentage of covered-employee payroll	27.30%

Notes to Schedule

Valuation Date: 6/30/2013

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age

Asset valuation method 5-year smoothed market

Discount rate 7.50%

Price Inflation 2.75%

Salary increases Varies by Entry Age and Service

Investment Rate of Return 7.50% Net of Pension Plan Investment and Administrative Expenses; includes inflation

Mortality Derived using CalPERS' Membership data for all funds.

Post Retirement Benefit Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies,

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

OTHER SUPPLEMENTARY INFORMATION

PORT SAN LUIS HARBOR DISTRICT
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL
PROPRIETARY FUND
For the Fiscal Year Ended June 30, 2015

	Budgeted Amounts		Actual Amounts Budgetary Basis	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues:				
Moorage operations	\$ 125,200	\$ 125,200	\$ 127,548	\$ 2,348
Service charges and fees	387,500	432,500	518,166	85,666
Leases, licenses, and rentals	1,187,800	1,187,800	1,340,205	152,405
Diesel sales	13,500	13,500	20,483	6,983
Total revenues	1,714,000	1,759,000	2,006,402	247,402
Expenses:				
Salaries and wages	512,000	512,000	501,672	10,328
Payroll taxes and benefits	338,300	338,300	256,836	81,464
Contract labor	3,300	3,300	10,977	(7,677)
Depreciation and amortization			220,107	(220,107)
Operating supplies	26,400	31,400	36,465	(5,065)
Maintenance	97,400	102,400	61,414	40,986
Utilities	168,600	168,600	160,750	7,850
General and administrative	216,700	206,500	252,744	(46,244)
Major maintenance and capital projects	616,300	616,300	40,136	576,164
Total expenses	1,979,000	1,978,800	1,541,101	437,699
Operating income (loss)	(265,000)	(219,800)	465,301	685,101
Non-Operating Income (Expenses):				
Interest income	3,600	3,600	3,078	(522)
Miscellaneous income	2,000	2,000	3,297	1,297
Total non-operating revenues (expenses)	5,600	5,600	6,375	775
Capital Contributions:				
Grant revenue	385,000	385,000	291,456	(93,544)
Total grant revenue	385,000	385,000	291,456	(93,544)
Change in net position	125,600	170,800	763,132	592,332
Net position, beginning of fiscal year	4,136,885	4,136,885	4,136,885	
Prior period adjustment	(760,595)	(760,595)	(760,595)	
Net position, beginning of fiscal year-restated	3,376,290	3,376,290	3,376,290	-
Net position, end of fiscal year	\$ 3,501,890	\$ 3,547,090	\$ 4,139,422	\$ 592,332

Port San Luis Harbor District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	\$ 2,902,171	\$ 3,018,402	\$ 4,149,297	\$ 5,157,728	\$ 5,406,485	\$ 5,294,829	\$ 5,693,366	\$ 6,196,267	\$ 6,554,982	\$ 6,109,778
Restricted	-	-	-	-	-	175,362	89,104	97,280	170,198	154,050
Unrestricted	1,246,771	1,457,320	1,890,931	1,736,671	1,806,418	1,665,840	1,600,934	587,622	437,514	(1,365,927)
Total governmental activities net position	<u>\$ 4,148,942</u>	<u>\$ 4,475,722</u>	<u>\$ 6,040,228</u>	<u>\$ 6,894,399</u>	<u>\$ 7,212,903</u>	<u>\$ 7,136,031</u>	<u>\$ 7,383,404</u>	<u>\$ 6,881,169</u>	<u>\$ 7,162,694</u>	<u>\$ 4,897,901</u>
Business-Type Activities										
Net investment in capital assets	\$ 2,258,306	\$ 2,222,025	\$ 2,171,853	\$ 2,266,272	\$ 2,202,998	\$ 2,174,871	\$ 2,139,198	\$ 2,154,223	\$ 2,743,733	\$ 2,910,474
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	628,266	614,198	594,158	555,203	630,049	687,703	837,328	1,168,647	1,393,152	1,228,948
Total business-type activities net position	<u>\$ 2,886,572</u>	<u>\$ 2,836,223</u>	<u>\$ 2,766,011</u>	<u>\$ 2,821,475</u>	<u>\$ 2,833,047</u>	<u>\$ 2,862,574</u>	<u>\$ 2,976,526</u>	<u>\$ 3,322,870</u>	<u>\$ 4,136,885</u>	<u>\$ 4,139,422</u>
Port San Luis Harbor District										
Net investment in capital assets	\$ 5,160,477	\$ 5,240,427	\$ 6,321,150	\$ 7,424,000	\$ 7,609,483	\$ 7,469,700	\$ 7,832,564	\$ 8,350,490	\$ 9,298,715	\$ 9,020,252
Restricted	-	-	-	-	-	175,362	89,104	97,280	170,198	154,050
Unrestricted	1,875,037	2,071,518	2,485,089	2,291,874	2,436,467	2,353,543	2,438,262	1,756,269	1,830,666	(136,979)
Total Port San Luis Harbor District net position	<u>\$ 7,035,514</u>	<u>\$ 7,311,945</u>	<u>\$ 8,806,239</u>	<u>\$ 9,715,874</u>	<u>\$ 10,045,950</u>	<u>\$ 9,998,605</u>	<u>\$ 10,359,930</u>	<u>\$ 10,204,039</u>	<u>\$ 11,299,579</u>	<u>\$ 9,037,323</u>

Port San Luis Harbor District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities:										
Administration	\$ 984,880	\$ 1,042,015	\$ 1,190,013	\$ 1,224,844	\$ 1,248,513	\$ 1,295,334	\$ 1,290,041	\$ 1,343,232	\$ 1,098,715	\$ 1,316,743
Operations	50,550	62,461	51,448	48,364	68,959	102,894	96,904	202,378	219,691	105,034
Maintenance	779,239	818,863	762,503	857,447	1,121,389	1,095,883	1,079,954	1,075,958	1,095,533	1,156,489
Safety and Services	712,945	661,261	712,853	730,883	798,720	713,753	801,061	787,480	800,251	806,265
Total governmental activities expenses	2,527,614	2,584,600	2,716,817	2,861,538	3,237,581	3,207,864	3,267,960	3,409,048	3,214,190	3,384,531
Business-Type Activities:										
Administration	652,876	671,880	741,382	660,578	688,884	759,817	745,510	787,919	904,244	725,515
Operations	471,186	452,765	409,105	442,503	490,227	538,150	631,076	362,629	345,664	365,736
Maintenance	241,178	279,765	269,226	288,041	361,969	350,548	373,989	408,004	385,272	439,270
Safety and Services	2,236	1,881	2,426	2,596	4,268	7,650	6,954	7,711	12,496	10,580
Total business-type activities expenses	1,367,476	1,406,291	1,422,139	1,393,718	1,545,348	1,656,165	1,757,529	1,566,263	1,647,676	1,541,101
Total Harbor District expenses	\$ 3,895,090	\$ 3,990,891	\$ 4,138,956	\$ 4,255,256	\$ 4,782,929	\$ 4,864,029	\$ 5,025,489	\$ 4,975,311	\$ 4,861,866	\$ 4,925,632
Program Revenues										
Governmental Activities:										
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Contributions and Grants	-	-	-	-	11,415	47,886	35,425	138,851	140,825	37,000
Capital Contributions and Grants	27,191	233,889	1,401,478	847,632	737,235	311,872	749,141	920,449	510,000	-
Total governmental activities program revenues	27,191	233,889	1,401,478	847,632	748,650	359,758	784,566	1,059,300	650,825	37,000
Business-Type Activities:										
Charges for Services										
Administration	2,519	5,571	4,316	3,753	6,602	22,202	9,611	49,757	23,519	54,011
Operations	1,083,561	1,066,081	1,083,811	1,125,852	1,232,462	1,322,398	1,474,900	1,293,374	1,361,880	1,490,837
Maintenance	104,174	108,561	114,242	137,501	179,056	200,133	268,849	330,828	351,479	429,162
Safety and Services	46,754	15,637	23,452	9,193	23,328	31,573	20,819	34,472	36,642	32,392
Operating Contributions and Grants	12,300	8,525	-	-	192	-	-	-	-	-
Capital Contributions and Grants	57,840	42,301	97,268	147,743	97,596	101,236	89,410	215,505	172,384	291,456
Total business-type activities program revenues	1,307,148	1,246,676	1,323,089	1,424,042	1,539,236	1,677,542	1,863,589	1,923,936	1,945,904	2,297,858
Total Harbor District program revenues	\$ 1,334,339	\$ 1,480,565	\$ 2,724,567	\$ 2,271,674	\$ 2,287,886	\$ 2,037,300	\$ 2,648,155	\$ 2,983,236	\$ 2,596,729	\$ 2,334,858
Net revenue/(expense)										
Governmental Activities										
	\$ (2,500,423)	\$ (2,350,711)	\$ (1,315,339)	\$ (2,013,906)	\$ (2,488,931)	\$ (2,848,106)	\$ (2,483,394)	\$ (2,349,748)	\$ (2,563,365)	\$ (3,347,531)
Business-Type Activities										
	(60,328)	(159,615)	(99,050)	30,324	(6,112)	21,377	106,060	357,673	298,228	756,757
Total Harbor District net revenue/(expense)	\$ (2,560,751)	\$ (2,510,326)	\$ (1,414,389)	\$ (1,983,582)	\$ (2,495,043)	\$ (2,826,729)	\$ (2,377,334)	\$ (1,992,075)	\$ (2,265,137)	\$ (2,590,774)

Port San Luis Harbor District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes and Assessments	\$ 2,020,643	\$ 2,564,403	\$ 2,682,631	\$ 2,821,329	\$ 2,780,238	\$ 2,748,461	\$ 2,712,469	\$ 2,854,582	\$ 2,832,841	\$ 3,011,338
Investment Income and Earnings	72,298	92,033	96,390	46,748	27,197	22,773	18,298	14,319	12,049	10,347
Miscellaneous	-	-	100,824	-	-	-	-	94,990	-	-
Transfers	-	21,055	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	(1,116,378)	-	(1,938,947)
Total governmental activities general revenues	<u>2,092,941</u>	<u>2,677,491</u>	<u>2,879,845</u>	<u>2,868,077</u>	<u>2,807,435</u>	<u>2,771,234</u>	<u>2,730,767</u>	<u>1,847,513</u>	<u>2,844,890</u>	<u>1,082,738</u>
Business-Type Activities:										
Investment Income and Earnings	(14,963)	8,516	26,212	20,951	17,620	5,257	7,721	(14,277)	6,678	3,078
Miscellaneous	4,582	121,805	2,626	4,189	64	2,893	171	2,948	38,349	3,297
Transfers	-	(21,055)	-	-	-	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	470,760	(760,595)
Total business-type activities general revenues	<u>(10,381)</u>	<u>109,266</u>	<u>28,838</u>	<u>25,140</u>	<u>17,684</u>	<u>8,150</u>	<u>7,892</u>	<u>(11,329)</u>	<u>515,787</u>	<u>(754,220)</u>
Total Harbor District general revenues	<u>\$ 2,082,560</u>	<u>\$ 2,786,757</u>	<u>\$ 2,908,683</u>	<u>\$ 2,893,217</u>	<u>\$ 2,825,119</u>	<u>\$ 2,779,384</u>	<u>\$ 2,738,659</u>	<u>\$ 1,836,184</u>	<u>\$ 3,360,677</u>	<u>\$ 328,518</u>
Change in Net Position										
Governmental Activities	\$ (407,482)	\$ 326,780	\$ 1,564,506	\$ 854,171	\$ 318,504	\$ (76,872)	\$ 247,373	\$ (502,235)	\$ 281,525	\$ (2,264,793)
Business-Type Activities	(70,709)	(50,349)	(70,212)	55,464	11,572	29,527	113,952	346,344	814,015	2,537
Total Harbor District change in net position	<u>\$ (478,191)</u>	<u>\$ 276,431</u>	<u>\$ 1,494,294</u>	<u>\$ 909,635</u>	<u>\$ 330,076</u>	<u>\$ (47,345)</u>	<u>\$ 361,325</u>	<u>\$ (155,891)</u>	<u>\$ 1,095,540</u>	<u>\$ (2,262,256)</u>

**Port San Luis Harbor District
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 73,514	\$ 175	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	100,471	133,627	-	-	307,709	344,772	303,292	678,977	453,602	469,102
Unassigned	1,356,814	1,448,782	1,707,106	1,841,515	1,627,595	1,603,151	1,618,439	1,420,439	1,081,200	1,032,076
Total general fund	<u>\$ 1,457,285</u>	<u>\$ 1,582,409</u>	<u>\$ 1,707,106</u>	<u>\$ 1,841,515</u>	<u>\$ 2,008,818</u>	<u>\$ 1,948,098</u>	<u>\$ 1,921,731</u>	<u>\$ 2,099,416</u>	<u>\$ 1,534,802</u>	<u>\$ 1,501,178</u>
Capital Projects Fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-	175,362	89,104	97,280	170,198	154,050
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	5,339	60,179	351,014	88,766	34,686	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total capital projects fund	<u>\$ 5,339</u>	<u>\$ 60,179</u>	<u>\$ 351,014</u>	<u>\$ 88,766</u>	<u>\$ 34,686</u>	<u>\$ 175,362</u>	<u>\$ 89,104</u>	<u>\$ 97,280</u>	<u>\$ 170,198</u>	<u>\$ 154,050</u>

*The terminology for fund balances has changed over the last ten years. For fiscal years 2006-2010, "Assigned" fund balances refer to those that were previously titled "Reserved" or "Designated" while "Unassigned" refer to those that were "Unreserved" or "Undesignated." "Non-spendable" fund balances refer to those that were previously titled "Reserved."

Port San Luis Harbor District
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Property Taxes and Assessments	\$ 2,020,643	\$ 2,564,403	\$ 2,682,631	\$ 2,821,329	\$ 2,780,238	\$ 2,748,461	\$ 2,712,469	\$ 2,854,582	\$ 2,832,841	\$ 3,011,338
Grant Income	27,191	233,889	1,401,478	847,632	748,650	359,758	784,566	434,300	588,115	75,809
Use of Money and Property	72,298	92,033	96,390	46,748	27,197	22,773	18,298	14,319	12,049	10,347
Miscellaneous	-	-	101,353	-	-	-	-	-	-	-
Total revenues	<u>2,120,132</u>	<u>2,890,325</u>	<u>4,281,852</u>	<u>3,715,709</u>	<u>3,556,085</u>	<u>3,130,992</u>	<u>3,515,333</u>	<u>3,303,201</u>	<u>3,433,005</u>	<u>3,097,494</u>
Expenditures										
Salaries and Wages	889,628	850,802	956,660	959,053	1,086,989	1,073,617	1,156,037	1,105,657	1,180,528	1,208,488
Employee Benefits	491,159	464,797	485,265	544,311	613,238	650,436	707,099	1,786,921	419,189	740,341
Contract Services	68,772	133,516	107,185	87,615	95,243	97,022	88,547	103,441	105,185	118,723
Supplies	78,001	84,084	64,087	69,750	63,323	59,955	66,191	68,230	69,404	67,900
Maintenance	86,279	148,357	124,084	99,632	263,432	169,298	188,535	308,975	277,168	279,781
Capital Outlay	168,693	439,106	1,571,998	1,416,721	697,473	360,834	868,662	333,505	787,868	56,278
Utilities	169,624	200,223	197,013	251,367	218,073	228,957	229,874	235,189	236,366	266,779
General and Administrative	396,235	410,531	360,028	415,099	405,091	410,917	336,302	386,790	418,689	410,297
Debt Service	-	-	-	-	-	-	-	-	493,014	-
Total expenditures	<u>2,348,391</u>	<u>2,731,416</u>	<u>3,866,320</u>	<u>3,843,548</u>	<u>3,442,862</u>	<u>3,051,036</u>	<u>3,641,247</u>	<u>4,328,708</u>	<u>3,987,411</u>	<u>3,148,587</u>
Excess of revenues over (under) expenditures	(228,259)	158,909	415,532	(127,839)	113,223	79,956	(125,914)	(1,025,507)	(554,406)	(51,093)
Other Financing Sources (Uses)										
Proceeds from Capital Lease	-	-	-	-	-	-	13,289	-	-	-
Proceeds from Note	-	-	-	-	-	-	-	1,116,378	-	-
Proceeds from Insurance	-	-	-	-	-	-	-	94,990	62,710	1,321
Operating Transfers In	-	278,333	-	-	-	-	-	-	-	-
Operating Transfers Out	-	(257,278)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>21,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,289</u>	<u>1,211,368</u>	<u>62,710</u>	<u>1,321</u>
Prior period adjustment	41,821	-	-	-	-	-	-	-	-	-
Net change in fund balances	<u>\$ (186,438)</u>	<u>\$ 179,964</u>	<u>\$ 415,532</u>	<u>\$ (127,839)</u>	<u>\$ 113,223</u>	<u>\$ 79,956</u>	<u>\$ (112,625)</u>	<u>\$ 185,861</u>	<u>\$ (491,696)</u>	<u>\$ (49,772)</u>

**Port San Luis Harbor District
Assessed Valuation*
Last Ten Fiscal Years (in thousands)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Secured	\$ 13,756,975	\$ 15,526,497	\$ 16,936,067	\$ 17,865,279	\$ 17,937,062	\$ 17,842,918	\$ 17,538,473	\$ 17,629,489	\$ 18,135,640	\$ 19,196,460
Unsecured	446,187	469,943	486,299	517,160	503,223	482,663	465,187	484,382	509,324	517,865
Exemptions	<u>(142,213)</u>	<u>(141,814)</u>	<u>(142,703)</u>	<u>(143,448)</u>	<u>(143,148)</u>	<u>(143,048)</u>	<u>(143,013)</u>	<u>(142,200)</u>	<u>(141,081)</u>	<u>(140,986)</u>
Net Assessed Valuations	<u>\$ 14,060,949</u>	<u>\$ 15,854,626</u>	<u>\$ 17,279,663</u>	<u>\$ 18,238,991</u>	<u>\$ 18,297,137</u>	<u>\$ 18,182,533</u>	<u>\$ 17,860,647</u>	<u>\$ 17,971,671</u>	<u>\$ 18,503,883</u>	<u>\$ 19,573,339</u>
Percentage Increase from Prior Year	10.4%	12.8%	9.0%	5.6%	0.3%	-0.6%	-1.8%	0.6%	3.0%	5.8%
County Direct Rates										
General	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
State Water Project	0.00222	0.00221	0.00220	0.00220	0.00220	0.00290	0.00300	0.00400	0.00400	0.00400
Total Direct Rate	<u>1.00222</u>	<u>1.00221</u>	<u>1.00220</u>	<u>1.00220</u>	<u>1.00220</u>	<u>1.00290</u>	<u>1.00300</u>	<u>1.00400</u>	<u>1.00400</u>	<u>1.00400</u>
Property Tax Revenue	\$ 2,021	\$ 2,564	\$ 2,683	\$ 2,821	\$ 2,780	\$ 2,748	\$ 2,712	\$ 2,855	\$ 2,833	\$ 3,011
District Tax Rate	0.01%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%	0.02%

Source: County of San Luis Obispo Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2012, County Property Tax Booklet "2014-15 Tax Rate Information and Assessed Valuations"

*Due to Article XIII A, added to the California Constitution by Proposition 13 in 1978, the County does not track the estimated actual value of all county properties. Proposition 13 fixed the base for valuation of real property at the full cash value which appeared on the Assessor's 1975-76 assessment roll. Thereafter, full cash value can be increased to reflect: (1) annual inflation up to two percent; (2) current market value at time of ownership change; and (3) market value for new construction. As a result, similar properties can have substantially different assessed values based on the date of purchase. (Source: County of San Luis Obispo Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2012)

**The District participates in the Teeter Plan (Rev. and Tax. Code §4701). Property tax is apportioned to the District at the end of each fiscal year based on the taxes that are levied regardless of when the tax levy is collected. Therefore, San Luis Obispo County receives the interest and penalty revenue on delinquent property tax payments.

***Unitary Roll is not included in the assessed valuations but is included in the property tax revenue.

**County of San Luis Obispo
Port San Luis Harbor District*
Principal Property Taxpayers
Current Year and Ten Years Ago (in Thousands)**

Taxpayer	Industry	Fiscal Year 2015			Fiscal Year 2006		
		Assessed Value	Rank	Percentage of Total County Assessed Value	Assessed Value	Rank	Percentage of Total County Assessed Value
Pacific Gas & Electric Co.	Utility	\$ 2,586,358	1	5.69%	\$ 2,250,814	1	6.37%
Phillips 66 Company	Oil Refinery	163,237	2	0.36%	-	-	-
Beringer Wine Estate Co.	Winery	92,622	3	0.20%	64,526	5	0.18%
Mustang-UCAL LLC	Apartments	76,943	4	0.17%	42,742	7	0.12%
Plains Exploration & Production	Petroleum & Gas	71,391	5	0.16%	-	-	-
Pacific Bell Telephone Co.	Telephone	67,102	6	0.15%	71,450	3	0.20%
SoCal Gas Company	Utility	65,824	7	0.14%	48,365	6	0.14%
Martin Hotel Management Co. LLC	Hotel	63,290	8	0.14%	-	-	-
E&J Gallo Winery	Winery	62,096	9	0.14%	-	-	-
Pasquini Charles Jr. Tre Etal	Private	57,036	10	0.13%	-	-	-
Tosco Corp.	Oil & Construction	-	-	-	134,999	2	0.38%
Duke Energy Morro Bay LLC	Utility	-	-	-	65,210	4	0.18%
Charter Communications Properties LLC	Utility	-	-	-	41,756	8	0.12%
Sierra Vista Hospital Inc.	Health Care	-	-	-	41,685	9	0.12%
ESJ Centers LLC	Real Estate	-	-	-	38,517	10	0.11%
		<u>\$ 3,305,899</u>		<u>7.28%</u>	<u>\$ 2,800,064</u>		<u>7.92%</u>
Total County Assessed Value		\$ 45,439,833			\$ 35,349,092		

Source: County Property Tax Information Booklet "2014-15 Property Tax Perspective", San Luis Obispo County 2005-06 Comprehensive Annual Financial Report

*Although the Harbor District only represents a portion of San Luis Obispo County, information is presented for the entire County.

**Port San Luis Harbor District
Outstanding Debt by Type
Last Ten Fiscal Years**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,926	\$ 10,015	\$ 7,718	\$ 5,231
Note Payable	-	-	-	-	-	-	-	1,116,378	651,467	488,359
Total governmental activities debt	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,926</u>	<u>\$ 1,126,393</u>	<u>\$ 659,185</u>	<u>\$ 493,590</u>
Business-Type Activities										
Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Note Payable	31,102	-	-	-	-	-	-	-	-	-
Total business-type activities debt	<u>\$ 31,102</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>					
Port San Luis Harbor District										
Capital Lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,926	\$ 10,015	\$ 7,718	\$ 5,231
Note Payable	31,102	-	-	-	-	-	-	1,116,378	651,467	488,359
Total Port San Luis Harbor District ndebt	<u>\$ 31,102</u>	<u>\$ -</u>	<u>\$ 12,926</u>	<u>\$ 1,126,393</u>	<u>\$ 659,185</u>	<u>\$ 493,590</u>				

Note: Details regarding the District's outstanding debt can be found in the notes to the financial statements.

**Port San Luis Harbor District
Legal Debt Margin Information
Last Ten Fiscal Years (in thousands)**

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 2,109,142	\$ 2,378,194	\$ 2,591,949	\$ 2,735,849	\$ 2,744,571	\$ 2,727,380	\$ 2,679,097	\$ 2,695,751	\$ 2,775,582	\$ 2,936,001
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 2,109,142</u>	<u>\$ 2,378,194</u>	<u>\$ 2,591,949</u>	<u>\$ 2,735,849</u>	<u>\$ 2,744,571</u>	<u>\$ 2,727,380</u>	<u>\$ 2,679,097</u>	<u>\$ 2,695,751</u>	<u>\$ 2,775,582</u>	<u>\$ 2,936,001</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Note: California Harbors and Navigation Code Section 6077 prescribes that the bonded indebtedness of the District not exceed 15% of the assessed value of property within the District.

**County of San Luis Obispo
Port San Luis Harbor District*
Demographic and Economic Statistics
Last Ten Fiscal Years**

<u>Calendar Year</u>	<u>Population (1,2)</u>	<u>Personal Income (in thousands) (2, 3)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate (2)</u>
2005	262,928	\$ 8,727,001	\$ 33,855	4.3%
2006	264,936	9,488,605	36,544	3.9%
2007	267,252	9,977,057	38,114	4.3%
2008	270,289	10,709,753	41,094	5.7%
2009	271,821	10,237,494	40,103	9.0%
2010	269,713	10,532,649	38,994	10.0%
2011	270,119	10,966,438	40,322	9.5%
2012	271,021	12,172,289	44,324	8.0%
2013	272,357	12,547,278	45,388	6.7%
2014	273,323	Not Avail.	Not Avail.	5.6%

Sources:

1. Employment Development Department
2. San Luis Obispo County Annual Financial Report

*Although the Harbor District only represents a portion of San Luis Obispo County, information is presented for the entire County.

Port San Luis Harbor District
Full-time Equivalent Government Employees by Function
Last Ten Fiscal Years

Function	Full-Time Equivalent Employees as of June 30									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Administration	5.60	6.60	5.60	6.60	6.60	5.60	6.60	6.75	6.75	6.75
Public Safety	6	5	5	6	5	5	6	5	4	5
Maintenance	13	12	12	11	13	13	13	11	12	12
Total	25	24	23	24	25	24	26	23	23	24

**Port San Luis Harbor District
Operating Indicators by Function
2015**

Function	Fiscal Year		
	2013	2014	2015
Administration			
Recruitments	3	3	6
Claims filed against District	6	1	1
Lien sales	4	2	1
Prior patrons on no services list (as of June 30th)	16	23	12
RFP's released	4	5	5
Public Safety			
Agency to agency assistance	223	188	155
Water taxi passengers	Not Avail.	3,506	5,377
Wildlife rescues	117	75	109
Maintenance			
Commercial Fishermen	24	24	28
Dredge hours	655	467	520
Invitation for bids released	6	7	4
Major maintenance and capital projects completed	20	26	17
Amount of major maintenance and capital projects completed	\$ 838,035	\$ 1,379,542	\$ 688,216
Revenue producing activities			
Avila parking lot spaces	62,716	69,923	84,353
RV camping nights	12,058	13,744	13,840
Parking citations	473	741	483
Coastal Gateway room rentals	5	8	4
Special event permits	60	47	60
Leases (as of June 30th)	10	10	10
Licenses (as of June 30th)	11	11	10
Mooring patrons (as of June 30th)	164	154	154
Skiff storage patrons	51	50	50
Boat storage patrons	35	34	48
Gear storage patrons	12	13	14
Boats fueled	199	215	285
Boat launches at sport launch (approximate)	Not Avail.	Not Avail.	4,100
Grants received	6	6	6
Amount of grants received	\$ 784,126	\$ 492,016	\$ 64,545