

DUE DECEMBER 31 Pursuant to Public Resources Code § 6306

Fiscal/Calendar Year: Fiscal Year Ended 2020

Grantee Name: City of Avalon

Contact Person: Matthew Baker

Mailing Address: P.O. Box 707 Avalon, CA 90704

1. Funds

a. Is a separate fund maintained for trust assets, liabilities, revenues and expenditures?

YES NO

If "Yes", please list the name(s) of the fund(s).

Harbor Fund

If "No", under what fund are they accounted for?

b. Are separate financial statements prepared for the trust?

YES NO

If "Yes," describe the organization of the separate financial statement.

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)).

City of Avalon Basic Financial Statements and Supplemental Data (pg. 37-43)

2. Revenue

a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year?

\$9,287,877

b. Please list all sources of revenue and the amount of revenue generated from each source (e.g., permits, rentals, percentage of lease, etc.).

Cross Channel Wharfage - \$2,898,778; Grants - \$2,201,172; Nightly Moorings - \$1,498,292; Fuel charges - \$743,969; Cruise Ship Wharfage - \$611,410; Pier and Tideland Rentals - \$452,188; Harbor Use Fees - \$278,177; Annual mooring permits - \$259,725; Other - \$344,166

3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year?

\$8,169,529

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended.

Salaries and benefits - \$4,712,339; Contractual services - \$977,898; Office supplies - \$1,686; Utilities and Rent - \$548,365; Repairs and maintenance - \$404,150; Operating supplies - \$256,332; Other services and charges - \$803,960; Depreciation - \$464,799

- c. Have there been any capital improvements over \$250,000 within the current fiscal year? Are any capital improvements over \$250,000 expected in the next fiscal year?

Reconstruction of the Cabrillo Mole Ferry Terminal substructure to be completed in the next fiscal year with a total budget of over \$4 million; Pumpout dock replacement of approximately \$250,000 anticipated to be completed in the next fiscal year.

- d. Describe any other disposition of trust funds or assets or any other disposition of the trust lands or trust assets themselves. Include any internal funds that were transferred to other grantees, to the management of entity or under the management of another political subdivision of the grantee under an agreement, settlement, or memorandum of understanding.

N/A

4. Beginning and Ending Balance

Please list the beginning and ending balances for the tidelands trust fund(s) for this past fiscal year.

\$2,892,422 (Beginning Balance); \$4,010,770 (Ending Balance)

PROPRIETARY FUND FINANCIAL STATEMENTS

Harbor – This fund was established to account for all harbor operations.

Sewer – This fund was established to receive and disburse funds collected through sewer service charge fees and sewer facilities charges. This fund is used for the operation and maintenance of sewer disposal facilities and the financing of construction for sewer outlets.

Saltwater – This fund was established to receive charges for operation of the City's saltwater pumping plants and systems.

Solidwaste – This fund was established to account for solid waste collection and disposal costs.

Avalon Transit – This fund was established to account for the City's fixed route, dial-a-ride, ferry commuter subsidy, and other transportation operations.

Internal Service Funds – These funds are used to account for the financing of goods and services provided by one or more departments to other departments of the City and to other government units, on a cost reimbursement basis.

CITY OF AVALON
Statement of Net Position
Proprietary Funds
June 30, 2020
(With comparative information for the prior year)

	Business-type Activities		
	Harbor	Sewer	Saltwater
Assets:			
Current assets:			
Cash and investments	\$ 475,449	156,476	18,269
Restricted cash and investments	-	-	-
Receivables, net:			
Accounts	212,290	1,213	916
Taxes	78,856	232,721	76,753
Interest	1,299	406	14
Assets held for resale	-	-	-
Total current assets	<u>767,894</u>	<u>390,816</u>	<u>95,952</u>
Noncurrent assets:			
Capital assets, not being depreciated	4,008,134	51,924	29,712
Capital assets, net of accumulated depreciation	<u>7,034,119</u>	<u>4,659,959</u>	<u>1,383,989</u>
Total noncurrent assets	<u>11,042,253</u>	<u>4,711,883</u>	<u>1,413,701</u>
Total assets	<u>11,810,147</u>	<u>5,102,699</u>	<u>1,509,653</u>
Deferred outflows of resources:			
Deferred outflows - pension related	705,134	47,187	35,230
Deferred outflows - OPEB related	<u>200,243</u>	<u>21,911</u>	<u>15,914</u>
Total deferred outflows of resources	<u>905,377</u>	<u>69,098</u>	<u>51,144</u>
Liabilities:			
Current liabilities:			
Accounts payable	482,782	181,611	57,138
Interest payable	4,338	-	-
Accrued liabilities	70,927	6,270	4,523
Unearned revenue	145,867	-	-
Due to other funds	-	-	-
Current portion of noncurrent liabilities	<u>243,922</u>	<u>11,852</u>	<u>8,003</u>
Total current liabilities	<u>947,836</u>	<u>199,733</u>	<u>69,664</u>
Noncurrent liabilities:			
Compensated absences	87,515	6,381	4,310
Advances from other funds	-	220,000	82,000
Net pension liability	4,085,515	273,398	204,128
OPEB obligation	2,700,758	295,519	214,632
Claims payable	-	25,000	-
Loans payable	53,737	-	-
Landfill closure obligation (note 11)	-	-	-
Total noncurrent liabilities	<u>6,927,525</u>	<u>820,298</u>	<u>505,070</u>
Total liabilities	<u>7,875,361</u>	<u>1,020,031</u>	<u>574,734</u>
Deferred inflows of resources:			
Deferred inflows - pension related	636,371	42,585	31,796
Deferred inflows - OPEB related	<u>193,022</u>	<u>21,121</u>	<u>15,340</u>
Total deferred inflows of resources	<u>829,393</u>	<u>63,706</u>	<u>47,136</u>
Net position:			
Net investment in capital assets	10,939,582	4,711,883	1,413,701
Unrestricted	<u>(6,928,812)</u>	<u>(623,823)</u>	<u>(474,774)</u>
Total net position	<u>\$ 4,010,770</u>	<u>4,088,060</u>	<u>938,927</u>

Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time

Net position of business-type activities

See accompanying notes to the financial statements

Business-type Activities		Total Enterprise Funds		Governmental Activities - Internal Service Funds	
Solidwaste	Avalon Transit	2020	2019	2020	2019
1,112,408	433	1,763,035	3,729,291	1,114,291	1,058,590
2,464,457	-	2,464,457	2,362,597	-	-
29,249	117	243,785	1,024,269	75,163	7,258
233,129	-	621,459	210,684	-	-
1,384	-	3,103	12,241	1,152	1,627
-	15,000	15,000	-	-	-
<u>3,840,627</u>	<u>15,550</u>	<u>5,110,839</u>	<u>7,339,082</u>	<u>1,190,606</u>	<u>1,067,475</u>
-	-	4,089,770	840,322	-	-
<u>411,947</u>	<u>50,849</u>	<u>13,540,863</u>	<u>13,779,468</u>	<u>432,896</u>	<u>321,972</u>
<u>411,947</u>	<u>50,849</u>	<u>17,630,633</u>	<u>14,619,790</u>	<u>432,896</u>	<u>321,972</u>
<u>4,252,574</u>	<u>66,399</u>	<u>22,741,472</u>	<u>21,958,872</u>	<u>1,623,502</u>	<u>1,389,447</u>
-	-	787,551	1,017,542	16,811	39,539
-	-	238,068	173,585	-	-
-	-	<u>1,025,619</u>	<u>1,191,127</u>	<u>16,811</u>	<u>39,539</u>
134,592	33,488	889,611	757,913	148,739	156,175
-	-	4,338	8,573	-	-
1,492	388	83,600	113,229	75,793	73,880
-	-	145,867	113,858	-	-
-	-	-	128,044	-	-
1,679	-	265,456	320,876	120,796	122,481
<u>137,763</u>	<u>33,876</u>	<u>1,388,872</u>	<u>1,442,493</u>	<u>345,328</u>	<u>352,536</u>
904	-	99,110	82,079	-	-
-	-	302,000	-	-	-
-	-	4,563,041	4,578,886	97,409	177,922
-	-	3,210,909	3,407,005	-	-
-	-	25,000	10,000	-	66,628
-	-	53,737	105,159	-	-
<u>4,260,290</u>	<u>-</u>	<u>4,260,290</u>	<u>4,333,321</u>	<u>-</u>	<u>-</u>
<u>4,261,194</u>	<u>-</u>	<u>12,514,087</u>	<u>12,516,450</u>	<u>97,409</u>	<u>244,550</u>
<u>4,398,957</u>	<u>33,876</u>	<u>13,902,959</u>	<u>13,958,943</u>	<u>442,737</u>	<u>597,086</u>
-	-	710,752	761,721	15,172	29,598
-	-	229,483	287,656	-	-
-	-	<u>940,235</u>	<u>1,049,377</u>	<u>15,172</u>	<u>29,598</u>
411,947	50,849	17,527,962	14,411,956	432,896	321,972
(558,330)	(18,326)	(8,604,065)	(6,270,277)	749,508	480,330
<u>(146,383)</u>	<u>32,523</u>	<u>8,923,897</u>	<u>8,141,679</u>	<u>1,182,404</u>	<u>802,302</u>
		<u>(112,746)</u>	<u>(327,149)</u>		
		<u>\$ 8,811,151</u>	<u>7,814,530</u>		

See accompanying notes to the financial statements

CITY OF AVALON
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year ended June 30, 2020
(With comparative information for the prior year)

	Business-type Activities		
	Harbor	Sewer	Saltwater
Operating revenues:			
Charges for services	\$ 6,902,280	2,627,135	775,368
Other revenue	41,156	-	-
Total operating revenues	<u>6,943,436</u>	<u>2,627,135</u>	<u>775,368</u>
Operating expenses:			
Salaries and benefits	4,712,339	439,062	224,228
Contractual services	977,898	1,300,886	267,552
Office supplies	1,686	-	-
Utilities and rent	548,365	292,384	-
Repairs and maintenance	404,150	72,057	3,598
Operating supplies	256,332	-	-
Other services and charges	803,960	85,020	126
Depreciation	464,799	374,306	54,935
Total operating expenses	<u>8,169,529</u>	<u>2,563,715</u>	<u>550,439</u>
Operating income (loss)	<u>(1,226,093)</u>	<u>63,420</u>	<u>224,929</u>
Nonoperating revenues (expenses):			
Admissions taxes	108,874	-	-
Grants and other revenues	2,201,172	-	-
Impairment loss	-	-	-
Interest income	39,512	5,318	959
Interest expense	(5,117)	-	-
Total nonoperating revenues (expenses)	<u>2,344,441</u>	<u>5,318</u>	<u>959</u>
Income (loss) before capital contributions and transfers	1,118,348	68,738	225,888
Transfers in (note 3)	-	-	-
Transfers out (note 3)	-	-	-
Changes in net position	1,118,348	68,738	225,888
Net position, beginning of year	<u>2,892,422</u>	<u>4,019,322</u>	<u>713,039</u>
Net position, end of year	<u>\$ 4,010,770</u>	<u>4,088,060</u>	<u>938,927</u>

Adjustment for the net effect of current year activity between the internal service funds and the enterprise funds.

Change in net position of business-type activities

Business-type Activities		Total Enterprise Funds		Governmental Activities - Internal Service Funds	
Solidwaste	Avalon Transit	2020	2019	2020	2019
1,845,828	92,503	12,243,114	13,546,576	3,696,119	3,395,353
<u>19,692</u>	<u>-</u>	<u>60,848</u>	<u>76,908</u>	<u>-</u>	<u>13,950</u>
<u>1,865,520</u>	<u>92,503</u>	<u>12,303,962</u>	<u>13,623,484</u>	<u>3,696,119</u>	<u>3,409,303</u>
237,778	128,852	5,742,259	6,868,039	1,543,421	1,572,585
1,675,090	133,981	4,355,407	4,446,144	767,872	787,777
-	711	2,397	5,880	65,036	78,526
11,082	-	851,831	743,482	185,162	164,916
-	1,811	481,616	819,626	128,337	152,220
-	552	256,884	445,899	97,851	83,995
14,571	60,832	964,509	928,078	448,146	647,471
<u>69,623</u>	<u>67,327</u>	<u>1,030,990</u>	<u>1,147,847</u>	<u>95,273</u>	<u>119,755</u>
<u>2,008,144</u>	<u>394,066</u>	<u>13,685,893</u>	<u>15,404,995</u>	<u>3,331,098</u>	<u>3,607,245</u>
<u>(142,624)</u>	<u>(301,563)</u>	<u>(1,381,931)</u>	<u>(1,781,511)</u>	<u>365,021</u>	<u>(197,942)</u>
-	-	108,874	142,963	-	-
2,082	-	2,203,254	159,567	-	-
-	(605,618)	(605,618)	-	-	-
119,967	-	165,756	201,927	15,081	10,001
<u>-</u>	<u>-</u>	<u>(5,117)</u>	<u>(9,724)</u>	<u>-</u>	<u>-</u>
<u>122,049</u>	<u>(605,618)</u>	<u>1,867,149</u>	<u>494,733</u>	<u>15,081</u>	<u>10,001</u>
(20,575)	(907,181)	485,218	(1,286,778)	380,102	(187,941)
-	297,000	297,000	110,000	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,500)</u>	<u>-</u>	<u>-</u>
(20,575)	(610,181)	782,218	(1,197,278)	380,102	(187,941)
<u>(125,808)</u>	<u>642,704</u>			<u>802,302</u>	<u>990,243</u>
<u>(146,383)</u>	<u>32,523</u>			<u>1,182,404</u>	<u>802,302</u>
		<u>214,403</u>	<u>(91,109)</u>		
		<u>\$ 996,621</u>	<u>(1,288,387)</u>		

See accompanying notes to the financial statements

CITY OF AVALON
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2020
(With comparative information for the prior year)

	Harbor	Sewer	Saltwater
Cash Flows from Operating Activities:			
Cash received from customers	\$ 7,685,404	2,444,813	720,562
Cash received from interfund services provided	-	-	-
Cash received for operating grants	-	-	-
Cash payments to suppliers for goods and services	(2,933,411)	(1,688,773)	(367,918)
Cash payments to employees for services	(4,505,298)	(589,187)	(358,168)
Net cash provided by operating activities	<u>246,695</u>	<u>166,853</u>	<u>(5,524)</u>
Cash Flows from Noncapital Financing Activities:			
Cash received from admissions taxes	108,874	-	-
Cash paid to other funds	-	-	-
Cash received from other funds	2,201,172	220,000	82,000
Net cash provided by noncapital financing activities	<u>2,310,046</u>	<u>220,000</u>	<u>82,000</u>
Cash Flows from Capital and Related Financing Activities:			
Cash received for capital grants	-	-	-
Cash payments to acquire capital and other assets	(3,797,459)	(805,067)	(59,925)
Principal paid on capital-related debt	(102,671)	-	-
Interest paid on capital-related debt	(9,352)	-	-
Net cash provided by capital and related financing activities	<u>(3,909,482)</u>	<u>(805,067)</u>	<u>(59,925)</u>
Cash Flows from Investing Activities:			
Interest received on investments	41,667	10,708	1,718
Net increase (decrease) in cash and cash equivalents	(1,311,074)	(407,506)	18,269
Cash and cash equivalents - beginning	<u>1,786,523</u>	<u>563,982</u>	<u>-</u>
Cash and cash equivalents - ending	<u>\$ 475,449</u>	<u>156,476</u>	<u>18,269</u>
Reconciliation of Operating Income (loss) to Net Cash			
Provided by Operating Activities			
Operating income (loss)	\$ (1,226,093)	63,420	224,929
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	464,799	374,306	54,935
Other Income	-	-	-
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	771,747	6,077	4,216
(Increase) decrease in taxes receivable	(29,779)	(188,399)	(59,022)
(Increase) decrease in deferred outflows	119,232	24,744	21,532
Increase (decrease) in accounts payable	103,412	64,933	33,326
Increase (decrease) in accrued liabilities	(23,630)	(3,359)	(1,924)
Increase (decrease) in compensated absences	55,922	(3,766)	(5,614)
Increase (decrease) in OPEB obligation	(38,576)	(85,369)	(72,151)
Increase (decrease) in unearned revenue	32,009	-	-
Increase (decrease) in net pension liability	102,877	(61,559)	(57,163)
Increase (decrease) in deferred inflows	(64,423)	(24,175)	(20,544)
Increase (decrease) in due to other funds	-	-	(128,044)
Increase (decrease) in landfill closure obligation	-	-	-
Increase (decrease) in claims payable	(20,802)	-	-
Net Cash Provided by Operating Activities	<u>\$ 246,695</u>	<u>166,853</u>	<u>(5,524)</u>
Significant non-cash transactions			
Bus impairment loss	\$ -	-	-
Landfill closure cost amortization	\$ -	-	-

See accompanying notes to the financial statements

Solidwaste	Avalon Transit	Total Enterprise Funds		Governmental Activities - Internal Service Funds	
		2020	2019	2020	2019
1,730,347	92,359	12,673,485	13,527,175	-	-
-	-	-	-	3,696,484	3,407,836
2,082	-	2,082	143,500	-	-
(1,777,348)	(262,696)	(7,030,146)	(7,206,598)	(1,828,395)	(1,878,842)
<u>(237,778)</u>	<u>(128,852)</u>	<u>(5,819,283)</u>	<u>(5,607,924)</u>	<u>(1,621,747)</u>	<u>(1,500,162)</u>
<u>(282,697)</u>	<u>(299,189)</u>	<u>(173,862)</u>	<u>856,153</u>	<u>246,342</u>	<u>28,832</u>
-	-	108,874	142,963	-	-
-	-	-	(20,500)	-	-
-	297,000	2,800,172	126,067	-	-
<u>-</u>	<u>297,000</u>	<u>2,909,046</u>	<u>248,530</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	(4,662,451)	(1,600,242)	(206,197)	(30,934)
-	-	(102,671)	(161,797)	-	-
-	-	(9,352)	(15,715)	-	-
<u>-</u>	<u>-</u>	<u>(4,774,474)</u>	<u>(1,777,754)</u>	<u>(206,197)</u>	<u>(30,934)</u>
120,801	-	174,894	196,224	15,556	9,302
(161,896)	(2,189)	(1,864,396)	(476,847)	55,701	7,200
<u>3,738,761</u>	<u>2,622</u>	<u>6,091,888</u>	<u>6,568,735</u>	<u>1,058,590</u>	<u>1,051,390</u>
<u>3,576,865</u>	<u>433</u>	<u>4,227,492</u>	<u>6,091,888</u>	<u>1,114,291</u>	<u>1,058,590</u>
(142,624)	(301,563)	(1,381,931)	(1,781,511)	365,021	(197,942)
69,623	67,327	1,030,990	1,147,847	95,273	119,755
2,082	-	2,082	143,500	-	-
(1,598)	42	780,484	(40,806)	(67,905)	(7,184)
(133,575)	-	(410,775)	(55,451)	-	-
-	-	165,508	286,825	22,728	(1,450)
(5,164)	(64,809)	131,698	(67,312)	(7,436)	2,743
(530)	(186)	(29,629)	14,909	1,913	7
2,120	-	48,662	117,063	-	-
-	-	(196,096)	709,908	-	-
-	-	32,009	(19,768)	-	-
-	-	(15,845)	(271,975)	(14,426)	20,089
-	-	(109,142)	437,115	(80,513)	48,485
-	-	(128,044)	30,535	-	(22,299)
(73,031)	-	(73,031)	217,243	-	-
<u>-</u>	<u>-</u>	<u>(20,802)</u>	<u>(11,969)</u>	<u>(68,313)</u>	<u>66,628</u>
<u>(282,697)</u>	<u>(299,189)</u>	<u>(173,862)</u>	<u>856,153</u>	<u>246,342</u>	<u>28,832</u>
-	605,618	605,618	-	-	-
<u>73,031</u>	<u>-</u>	<u>73,031</u>	<u>155,223</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements