

DUE DECEMBER 31 Pursuant to Public Resources Code § 6306

Fiscal/Calendar Year: 2018/19

Grantee Name: City of Morro Bay

Contact Person: Scott Collins, City Manager

Mailing Address: 595 Harbor Street Morro Bay, CA 93442

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).

331 - Harbor Operating Fund , 055 Harbor Equipment Replacement Fund, 923 Harbor Capital Improvement Fund , 953 Harbor Accumulation 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 Morro Bay - Comprehensive Annual Financial Report For the Year ended June 30, 2019. Statements related to Proprietary Funds pages 34 , 36, 38, 40, 41.

2. Revenue

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

\$ 2,126,068 (2,079,688 + 34384+11996) See attached statement of Revenues & Expense.

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

Rental income from Harbor Leases, Mooring & Slips, and other Harbor Services, State Grants, Penalties, Interest. See attached budget performance Report. for amounts.

3. Expenses

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

1,987,304. (1,965,533 + 21771) See attached statement for Revenues & Expense)

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

City of Morro Bay's Cost Allocation Plan for Administrative support, Legal and Overhead Expenses - \$365,381.

- 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?

Current Year : No, FY 19-20 \$ 250,000 for Boat Launch Facility Rehabilitation if the Harbor Department is awarded a Department of Boating & Waterways \$1.9 million grant.

- 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.

None

4. Beginning and Ending Balance

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

Fund Balance Beginning of the year July 1, 2018 <\$1,122,493>

Fund Balance Ending of the year June 30, 2019 <\$1,380,429>

City of Morro Bay
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-Type Activities		
	Major Funds		
	Water Fund	Sewer Fund	Harbor Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 5,206,686	\$ 10,675,791	\$ 108,188
Accounts receivable, net of allowance for doubtful accounts	769,790	901,739	511,108
Other receivables	1,925	1,925	-
Intergovernmental receivables	1,795	-	25,584
Due from JPA	-	108,080	-
Due from other funds	14,099	-	-
Investment in Joint Powers Agreement	-	8,674	-
Prepaid items	1,033,198	7,812	9,382
Total Current Assets	7,027,493	11,704,021	654,262
Noncurrent Assets:			
Capital assets, nondepreciable	2,644,333	10,330,305	99,069
Capital assets, depreciable	6,228,191	7,011,364	392,297
Total Noncurrent Assets	8,872,524	17,341,669	491,366
Total Assets	15,900,017	29,045,690	1,145,628
DEFERRED OUTFLOWS OF RESOURCES			
Pensions related outflows of resources	154,211	467,417	563,537
Other postemployment benefits related outflows of resources	12,050	12,050	14,326
Total Deferred Outflows of Resources	166,261	479,467	577,863

City of Morro Bay
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2019

	Business-Type Activities		
	Major Funds		
	Water Fund	Sewer Fund	Harbor Fund
LIABILITIES			
Current Liabilities:			
Accounts payable	48,830	1,653,962	65,254
Accrued payroll and benefits	20,496	19,456	34,731
Due to other funds	-	4,355	-
Due to JPA	-	-	-
Deposits payable	87,248	-	9,128
Unearned revenues	-	-	12,141
Compensated absences, due within one year	15,745	56,832	36,188
Notes payable, due within one year	-	-	118,177
Total Current Liabilities	172,319	1,734,605	275,619
Noncurrent Liabilities:			
Compensated absences, due in more than one year	8,553	29,454	39,466
Note payable, due in more than one year	-	217,441	252,524
Aggregate net pension liability	769,637	2,332,795	2,316,800
Total other postemployment benefits liability	150,018	150,018	178,354
Total Noncurrent Liabilities	928,208	2,729,708	2,787,144
Total Liabilities	1,100,527	4,464,313	3,062,763
DEFERRED INFLOWS OF RESOURCES			
Pensions related deferred inflows of resources	46,307	140,357	41,157
Total Deferred Inflows of Resources	46,307	140,357	41,157
NET POSITION			
Net investment in capital assets	8,872,524	17,124,228	120,665
Unrestricted (deficit)	6,046,920	7,796,259	(1,501,094)
Total Net Position	\$ 14,919,444	\$ 24,920,487	\$ (1,380,429)

City of Morro Bay
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2019

	Business-Type Activities		
	Water Fund	Sewer Fund	Harbor Fund
Operating Revenues:			
Charges for services	\$ 5,736,599	\$ 6,962,767	\$ 2,064,246
Other revenues	52	32,301	15,442
Total operating revenues	<u>5,736,651</u>	<u>6,995,068</u>	<u>2,079,688</u>
Operating Expenses:			
Employee wages and benefits	230,440	794,060	1,423,174
Insurance costs	57,935	57,568	65,798
Transportation services	-	-	-
Public works	98,481	51,001	-
Depreciation	228,543	521,878	115,492
Maintenance	10,473	43,943	74,709
Administration	2,572,859	1,331,843	218,104
Supplies	109,358	153,015	68,256
Total operating expenses	<u>3,308,089</u>	<u>2,953,308</u>	<u>1,965,533</u>
Operating income (loss)	<u>2,428,562</u>	<u>4,041,760</u>	<u>114,155</u>
Nonoperating Revenues (Expenses):			
Intergovernmental	-	-	34,384
Rental income	-	8,306	-
Investment earnings	119,437	210,411	11,996
Interest expense	-	-	(21,771)
Total nonoperating revenues (expenses)	<u>119,437</u>	<u>218,717</u>	<u>24,609</u>
Net income (loss) before transfers	<u>2,547,999</u>	<u>4,260,477</u>	<u>138,764</u>
Transfers:			
Transfers in	40,808	-	-
Transfers out	(359,508)	(246,667)	(396,700)
Total transfers	<u>(318,700)</u>	<u>(246,667)</u>	<u>(396,700)</u>
Changes in net position	2,229,299	4,013,810	(257,936)
Net Position:			
Beginning of the year	12,690,145	20,906,677	(1,122,493)
End of the year	<u>\$ 14,919,444</u>	<u>\$ 24,920,487</u>	<u>\$ (1,380,429)</u>

City of Morro Bay
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities		
	Water Operating Fund	Sewer Fund	Harbor Fund
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash receipts from services provided	\$ 5,706,672	\$ 6,944,422	\$ 2,001,468
Cash paid to suppliers for goods and services	(3,901,156)	(460,240)	(416,263)
Cash paid to employees	(715,340)	(600,208)	(1,062,873)
Net Cash Provided by (Used in) Operating Activities	<u>1,090,176</u>	<u>5,883,974</u>	<u>522,332</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers in	40,808	-	-
Transfers out	(359,508)	(246,667)	(396,700)
Intergovernmental	(15,894)	(76,554)	33,031
Net Cash Provided by (Used in) Noncapital Financing Activities	<u>(334,594)</u>	<u>(323,221)</u>	<u>(363,669)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Payment on long-term debt	-	-	(113,088)
Proceeds from borrowing	-	217,441	-
Interest paid	-	-	(21,771)
Acquisition of capital assets	(1,606,503)	(3,933,162)	(66,351)
Net Cash (Used in) Capital and Related Financing Activities	<u>(1,606,503)</u>	<u>(3,715,721)</u>	<u>(201,210)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest received	119,437	218,717	11,996
Net Cash Provided by Investing Activities	<u>119,437</u>	<u>218,717</u>	<u>11,996</u>
Net Increase (Decrease) In Cash and Cash Equivalents	<u>(731,484)</u>	<u>2,063,749</u>	<u>(30,551)</u>
CASH AND CASH EQUIVALENTS:			
Beginning of Year	5,938,170	8,612,042	138,739
End of Year	<u>\$ 5,206,686</u>	<u>\$ 10,675,791</u>	<u>\$ 108,188</u>

City of Morro Bay
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2019

	Business-Type Activities		
	Water Operating Fund	Sewer Fund	Harbor Fund
Reconciliation of Operating Income (Loss) to to Net Cash Provided by (Used in) Operating Activities:			
Operating Income (loss)	\$ 2,428,562	\$ 4,041,760	\$ 114,155
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	228,543	521,878	115,492
Changes in assets, liabilities, and deferred outflows/inflows of resources:			
(Increase)/decrease in accounts receivables	(29,979)	(50,646)	(72,498)
(Increase)/decrease in other receivables	-	-	-
(Increase)/decrease in prepaid items	(928,981)	4,857	2,499
(Increase)/decrease in deferred outflows of resources related to pension	199,558	83,545	115,665
(Increase)/decrease in deferred outflows of resources related to other postemployment benefits	(12,050)	(12,050)	(14,326)
Increase/(decrease) in accounts payable	(126,985)	1,172,273	11,143
Increase/(decrease) in accrued payroll and benefits	3,711	(1,105)	(4,015)
Increase/(decrease) in deposits payable	3,916	-	(3,038)
Increase/(decrease) in unearned revenue	-	-	(5,722)
Increase/(decrease) in compensated absences	(10,304)	15,052	1,373
Increase/(decrease) in net pension liabilities	(684,428)	68,223	266,917
Increase/(decrease) in deferred inflows of resources related to pension	(33,698)	15,757	11,748
Increase/(decrease) in total OPEB liabilities	52,311	24,430	(17,061)
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,090,176</u>	<u>\$ 5,883,974</u>	<u>\$ 522,332</u>

Harbor Funds Budget Performance Report - Revenue Only

Fiscal Year to Date 06/30/19

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget YTD Transactions	% Used/Rec'd
Fund 055 - Harbor Equip. Replacement									
REVENUE									
Department 1111 - Undistributed/Non-Dept.									
<i>Revenues From Use of Money & Property</i>									
3710	Interest Income	.00	.00	.00	811.00	.00	811.00	(811.00)	+++
3750	Gain On Investment	.00	.00	.00	205.00	.00	205.00	(205.00)	+++
<i>Revenues From Use of Money & Property Totals</i>		\$0.00	\$0.00	\$0.00	\$1,016.00	\$0.00	\$1,016.00	(\$1,016.00)	+++
Department 1111 - Undistributed/Non-Dept. Totals		\$0.00	\$0.00	\$0.00	\$1,016.00	\$0.00	\$1,016.00	(\$1,016.00)	+++
Department 6510 - Harbor Department									
<i>Intergovernment Grants</i>									
3370	State Grant Capital Impv	.00	25,584.00	25,584.00	25,584.00	.00	25,584.00	.00	100
<i>Intergovernment Grants Totals</i>		\$0.00	\$25,584.00	\$25,584.00	\$25,584.00	\$0.00	\$25,584.00	\$0.00	100%
Department 6510 - Harbor Department Totals		\$0.00	\$25,584.00	\$25,584.00	\$25,584.00	\$0.00	\$25,584.00	\$0.00	100%
Department 7710 - Interfund Transactions									
<i>Interfund Revenue Transfers</i>									
3802	Intrafund Revenue Transfers	.00	2,002.00	2,002.00	2,001.59	.00	2,001.59	.41	100
<i>Interfund Revenue Transfers Totals</i>		\$0.00	\$2,002.00	\$2,002.00	\$2,001.59	\$0.00	\$2,001.59	\$0.41	100%
Department 7710 - Interfund Transactions Totals		\$0.00	\$2,002.00	\$2,002.00	\$2,001.59	\$0.00	\$2,001.59	\$0.41	100%
REVENUE TOTALS		\$0.00	\$27,586.00	\$27,586.00	\$28,601.59	\$0.00	\$28,601.59	(\$1,015.59)	104%
Fund 331 - Harbor Operating Fund									
REVENUE									
Department 6510 - Harbor Department									
<i>Intergovernment Grants</i>									
3371	State Grant Public Svc	25,000.00	(11,000.00)	14,000.00	.00	.00	.00	14,000.00	0
3391	Other Grant Public Svc	8,000.00	.00	8,000.00	.00	.00	8,800.00	(800.00)	110
<i>Intergovernment Grants Totals</i>		\$33,000.00	(\$11,000.00)	\$22,000.00	\$0.00	\$0.00	\$8,800.00	\$13,200.00	40%
<i>Revenues From Current Services</i>									
3401	Sale of Copies & Books	.00	.00	.00	.00	.00	24.00	(24.00)	+++
3437	Live Aboard Services	7,500.00	.00	7,500.00	226.20	.00	8,216.71	(716.71)	110
3439	Other Harbor Services	26,700.00	.00	26,700.00	3,028.95	.00	30,877.89	(4,177.89)	116
3440	Harbor Leases	1,532,080.00	.00	1,532,080.00	580,215.13	.00	1,623,983.88	(91,903.88)	106
3441	North T-Pier Dockage	33,600.00	.00	33,600.00	5,119.75	.00	42,571.03	(8,971.03)	127
3442	South T-Pier Dockage	44,125.00	.00	44,125.00	8,876.55	.00	45,285.21	(1,160.21)	103
3443	Mooring Rental	99,500.00	.00	99,500.00	6,565.00	.00	107,139.57	(7,639.57)	108
3444	Slip Rental	108,500.00	.00	108,500.00	9,807.34	.00	110,442.04	(1,942.04)	102
3445	Slip Transient Sublease	47,350.00	.00	47,350.00	13,927.00	.00	62,879.12	(15,529.12)	133
3447	Floating Dockage Rental	600.00	.00	600.00	31.80	.00	1,009.45	(409.45)	168
3469	Special Events	5,000.00	.00	5,000.00	.00	.00	745.50	4,254.50	15
3499	Other Rev/Current Services	24,000.00	(24,000.00)	.00	.00	.00	.00	.00	+++
<i>Revenues From Current Services Totals</i>		\$1,928,955.00	(\$24,000.00)	\$1,904,955.00	\$627,797.72	\$0.00	\$2,033,174.40	(\$128,219.40)	107%
<i>Revenues Fines Forfeitures Penalty</i>									
3610	Parking Bail Violations	.00	.00	.00	60.00	.00	439.10	(439.10)	+++
3631	Penalties	5,000.00	.00	5,000.00	210.00	.00	2,103.79	2,896.21	42
<i>Revenues Fines Forfeitures Penalty Totals</i>		\$5,000.00	\$0.00	\$5,000.00	\$270.00	\$0.00	\$2,542.89	\$2,457.11	51%
<i>Revenues From Use of Money & Property</i>									
3730	Rental Income	.00	.00	.00	.00	.00	1,230.00	(1,230.00)	+++
<i>Revenues From Use of Money & Property Totals</i>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,230.00	(\$1,230.00)	+++
<i>Miscellaneous Revenues</i>									
3905	Bad Debts Recovery	.00	.00	.00	110.20	.00	512.09	(512.09)	+++
3919	Auctioned Property	200.00	.00	200.00	.00	.00	.00	200.00	0
3960	Proceeds of Litigation	200.00	.00	200.00	.00	.00	.00	200.00	0
3990	Other Misc Revenues	3,900.00	.00	3,900.00	2,195.47	.00	13,546.71	(9,646.71)	347
<i>Miscellaneous Revenues Totals</i>		\$4,300.00	\$0.00	\$4,300.00	\$2,305.67	\$0.00	\$14,058.80	(\$9,758.80)	327%
<i>Other Revenues</i>									
3991	Cash Variations	.00	.00	.00	.00	.00	.01	(.01)	+++
<i>Other Revenues Totals</i>		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01	(\$0.01)	+++

Harbor Funds Budget Performance Report - Revenue Only

Fiscal Year to Date 06/30/19

Include Rollup Account and Rollup to Account

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd
Department 6510 - Harbor Department Totals		\$1,971,255.00	(\$35,000.00)	\$1,936,255.00	\$630,373.39	\$0.00	\$2,059,806.10	(\$123,551.10)	106%
Department 6511 - Harbor Lifeguards									
Miscellaneous Revenues									
3990	Other Misc Revenues	.00	.00	.00	.00	.00	1,150.00	(1,150.00)	+++
Miscellaneous Revenues Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,150.00	(\$1,150.00)	+++
Department 6511 - Harbor Lifeguards Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,150.00	(\$1,150.00)	+++
Department 7710 - Interfund Transactions									
Interfund Revenue Transfers									
3802	Intrafund Revenue Transfers	.00	.00	.00	.00	.00	5,300.00	(5,300.00)	+++
Interfund Revenue Transfers Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,300.00	(\$5,300.00)	+++
Department 7710 - Interfund Transactions Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,300.00	(\$5,300.00)	+++
Department 8479 - Launch Ramp Parking									
Revenues From Current Services									
3499	Other Rev/Current Services - Parking Lot Kiosk	30,000.00	.00	30,000.00	3,746.13	.00	29,589.62	410.38	99
Revenues From Current Services Totals		\$30,000.00	\$0.00	\$30,000.00	\$3,746.13	\$0.00	\$29,589.62	\$410.38	99%
Department 8479 - Launch Ramp Parking Totals		\$30,000.00	\$0.00	\$30,000.00	\$3,746.13	\$0.00	\$29,589.62	\$410.38	99%
REVENUE TOTALS		\$2,001,255.00	(\$35,000.00)	\$1,966,255.00	\$634,119.52	\$0.00	\$2,095,845.72	(\$129,590.72)	107%
Fund 923 - Harbor Capital Impv Fund									
REVENUE									
Department 7710 - Interfund Transactions									
Interfund Revenue Transfers									
3802	Intrafund Revenue Transfers	345,576.00	.00	345,576.00	14,407.30	.00	14,407.30	331,168.70	4
Interfund Revenue Transfers Totals		\$345,576.00	\$0.00	\$345,576.00	\$14,407.30	\$0.00	\$14,407.30	\$331,168.70	4%
Department 7710 - Interfund Transactions Totals		\$345,576.00	\$0.00	\$345,576.00	\$14,407.30	\$0.00	\$14,407.30	\$331,168.70	4%
Department 8421 - Harbor Ice Machine									
Interfund Revenue Transfers									
3802	Intrafund Revenue Transfers	.00	.00	.00	.00	.00	.00	.00	+++
Interfund Revenue Transfers Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++
Department 8421 - Harbor Ice Machine Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++
Department 9921 - DBW Launch Ramp Renovations									
Intergovernment Grants									
3370	State Grant Capital Impv	250,000.00	.00	250,000.00	.00	.00	.00	250,000.00	0
Intergovernment Grants Totals		\$250,000.00	\$0.00	\$250,000.00	\$0.00	\$0.00	\$0.00	\$250,000.00	0%
Department 9921 - DBW Launch Ramp Renovations Totals		\$250,000.00	\$0.00	\$250,000.00	\$0.00	\$0.00	\$0.00	\$250,000.00	0%
REVENUE TOTALS		\$595,576.00	\$0.00	\$595,576.00	\$14,407.30	\$0.00	\$14,407.30	\$581,168.70	2%
Fund 953 - Harbor Accumulation Fund									
REVENUE									
Department 1111 - Undistributed/Non-Dept.									
Revenues From Use of Money & Property									
3710	Interest Income	.00	.00	.00	1,435.00	.00	1,435.00	(1,435.00)	+++
3750	Gain On Investment	.00	.00	.00	8,315.00	.00	8,315.00	(8,315.00)	+++
Revenues From Use of Money & Property Totals		\$0.00	\$0.00	\$0.00	\$9,750.00	\$0.00	\$9,750.00	(\$9,750.00)	+++
Department 1111 - Undistributed/Non-Dept. Totals		\$0.00	\$0.00	\$0.00	\$9,750.00	\$0.00	\$9,750.00	(\$9,750.00)	+++
Department 7710 - Interfund Transactions									
Interfund Revenue Transfers									
3802	Intrafund Revenue Transfers	.00	.00	.00	26,718.38	.00	26,718.38	(26,718.38)	+++
Interfund Revenue Transfers Totals		\$0.00	\$0.00	\$0.00	\$26,718.38	\$0.00	\$26,718.38	(\$26,718.38)	+++
Department 7710 - Interfund Transactions Totals		\$0.00	\$0.00	\$0.00	\$26,718.38	\$0.00	\$26,718.38	(\$26,718.38)	+++
REVENUE TOTALS		\$0.00	\$0.00	\$0.00	\$36,468.38	\$0.00	\$36,468.38	(\$36,468.38)	+++
Revenue Totals All Funds							\$2,160,915.69		
Less Interfund Transfers							(34,847.69)		
Total Revenues Per Categories on CAFR pg 38							<u>\$2,126,068.00</u>		