

*DUE DECEMBER 31 Pursuant to Public Resources Code § 6306*

**Fiscal/Calendar Year:**

Grantee Name:

Contact Person:

Mailing Address:

**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).

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)).

**2. Revenue**

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

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

**GRANTED PUBLIC TRUST LANDS STANDARDIZED REPORTING FORM**

SLC 150 (formerly Form 12.26)

**3. Expenses**

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year?
  
- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended.
  
- 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?
  
- 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.

**4. Beginning and Ending Balance**

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

**CITY OF NEWPORT BEACH**  
**Tide and Submerged Lands**  
**Balance Sheet**  
**June 30, 2020**

	<b>Tide and Submerged Land - Operating</b>	<b>Tide and Submerged Land - Harbor Capital</b>	<b>Tide and Submerged Land Total Funds</b>
<b>Assets</b>			
Cash and investments	\$ 3,242,024	\$ 27,188,090	\$ 30,430,114
Receivables:			
Accounts (net of allowance)	1,790,646	-	1,790,646
<b>Total assets</b>	<b><u>\$ 5,032,670</u></b>	<b><u>\$ 27,188,090</u></b>	<b><u>\$ 32,220,760</u></b>
 <b>Liabilities, Deferred inflows of resources, and Fund Balances</b>			
Liabilities:			
Accounts payable	\$ 909,661	\$ 112,899	\$ 1,022,560
Accrued payroll	20,126	-	20,126
Deposits payable	184,924	-	184,924
Unearned Revenue	757,105	-	757,105
Advance from other funds (note 2)	-	10,676,659	10,676,659
<b>Total liabilities</b>	<b><u>1,871,816</u></b>	<b><u>10,789,558</u></b>	<b><u>12,661,374</u></b>
 Deferred Inflows of Resources:			
Unavailable revenue	289,331	-	289,331
<b>Total deferred inflows of resources</b>	<b><u>289,331</u></b>	<b><u>-</u></b>	<b><u>289,331</u></b>
 <b>Fund balances:</b>			
Restricted:			
Upper Newport Bay Restoration	1,099,953	-	1,099,953
Other	433,973	15,734,065	16,168,038
Encumbrance	617,597	664,467	1,282,064
Committed:			
Oil and Gas Liabilities	720,000	-	720,000
<b>Total fund balances</b>	<b><u>2,871,523</u></b>	<b><u>16,398,532</u></b>	<b><u>19,270,055</u></b>
 <b>Total liabilities, deferred inflows of resources, and fund balances</b>	 <b><u>\$ 5,032,670</u></b>	 <b><u>\$ 27,188,090</u></b>	 <b><u>\$ 32,220,760</u></b>

See accompanying notes to basic financial statements

**CITY OF NEWPORT BEACH**  
**Tide and Submerged Lands**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2020**

	Tide and Submerged Land - Operating	Tide and Submerged Land - Harbor Capital	Tide and Submerged Land Total Funds
<b>Revenues:</b>			
Licenses and permits	\$ 56,863	\$ -	\$ 56,863
Charges for services	10,541	-	10,541
Fines and forfeitures	22,719	-	22,719
Investment income	337,036	484,209	821,245
Net Increase in Fair Value of Investments	288,127	413,945	702,072
Income from the use of property and money			
Parking			
Balboa Lot	1,582,481	-	1,582,481
Other parking	1,371,364	-	1,371,364
Total Parking	<u>2,953,845</u>	<u>-</u>	<u>2,953,845</u>
Leases			
Balboa Yacht Basin Slips (net of increment)	653,171	536,307	1,189,478
Balboa Yacht Basin Garages (net of increment)	35,344	33,155	68,499
Balboa Yacht Basin Apartments (net of increment)	30,456	1,885	32,341
Balboa Yacht Basin Offices	14,645	-	14,645
Balboa Yacht Basin Electricity	9,243	-	9,243
Balboa Bay Club	3,011,162	1,420,398	4,431,560
Beacon Bay	1,405,549	-	1,405,549
Other Leases	1,081,289	74,858	1,156,147
Total Leases	<u>6,240,859</u>	<u>2,066,603</u>	<u>8,307,462</u>
Rent			
Moorings Off-Shore (net of increment)	623,171	512,218	1,135,389
Moorings On-Shore (net of increment)	69,546	89,756	159,302
Moorings Guest (net of increment)	-	170,903	170,903
Moorings Transfers (net of increment)	-	47,130	47,130
Residential Piers Rent (net of increment)	118,000	147,122	265,122
Commercial Piers Rent (net of increment)			
Large Com Marina Rent	248,441	500,571	749,012
Medium Com Marina Rent	-	80,909	80,909
Small Com Marina Rent	47,662	88,184	135,846
Vessel Charter Bus Rent	26,833	29,218	56,051
Vessel Rental Facility Rent	20,510	20,560	41,070
HOA NONMEM <13,000 sqf	11,831	-	11,831
HOA NONMEM 13K-30K sqf	13,891	-	13,891
Yacht Club Guest Slip Rent	14,255	-	14,255
Restaurant Rent	8,466	-	8,466
Shipyard Rent	6,559	9,508	16,067
Other Rent - Bldg over Tld	5,325	5,265	10,590
Fuel Dock - Base/Plus Rent	9,651	-	9,651
Sport Fishing Charter Rent	4,446	4,665	9,111
Total Commercial Piers Rent	<u>417,870</u>	<u>738,880</u>	<u>1,156,750</u>
Total Rent	<u>1,228,587</u>	<u>1,706,009</u>	<u>2,934,596</u>
Sale of Oil	782,662	-	782,662
Other	21,708	-	21,708
Total property income	<u>11,227,661</u>	<u>3,772,612</u>	<u>15,000,273</u>
<b>Total Revenues</b>	<b><u>\$ 11,942,947</u></b>	<b><u>\$ 4,670,766</u></b>	<b><u>\$ 16,613,713</u></b>

See accompanying notes to basic financial statements

**CITY OF NEWPORT BEACH**  
**Tide and Submerged Lands**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**For the Fiscal Year Ended June 30, 2020**

Continued

<b>Expenditures</b>	<b>Tide and Submerged Land - Operating</b>	<b>Tide and Submerged Land - Harbor Capital</b>	<b>Tide and Submerged Land Total Funds</b>
<b>General government:</b>			
City council - Indirect	\$ 6,488	\$ -	\$ 6,488
City clerk - Indirect	311	-	311
City attorney - Indirect	135,946	-	135,946
City manager - Indirect	10,599	-	10,599
Finance - Indirect	75,229	-	75,229
Human resources - Indirect	15,894	-	15,894
Building use - Indirect	184,719	-	184,719
Parking operations - Indirect	675,472	-	675,472
Total General government	<u>1,104,658</u>	<u>-</u>	<u>1,104,658</u>
<b>Public safety:</b>			
Police - Indirect	3,476,045	-	3,476,045
Fire - Indirect	2,461,322	-	2,461,322
Marine safety - Indirect	6,483,399	-	6,483,399
Total Public safety	<u>12,420,766</u>	<u>-</u>	<u>12,420,766</u>
<b>Public works:</b>			
Public works - Indirect	44,074	-	44,074
Public works - Utilities - Direct	545,777	-	545,777
Public works - Utilities - Indirect	2,387,602	-	2,387,602
Total Public works	<u>2,977,453</u>	<u>-</u>	<u>2,977,453</u>
<b>Community development:</b>			
Community development - Direct	2,661	-	2,661
Total Community development	<u>2,661</u>	<u>-</u>	<u>2,661</u>
<b>Community services:</b>			
Tidelands management - Direct	295,939	-	295,939
Harbor operations - Direct	1,088,712	-	1,088,712
Total Community services	<u>1,384,651</u>	<u>-</u>	<u>1,384,651</u>
<b>Capital improvement projects: - All are Direct</b>			
Abandoned Watercraft Abatement	34,646	5,458	40,104
American Legion Bulkhead	93,958	-	93,958
Arches Storm Drain Diversion	32,335	-	32,335
Balboa Island Swim Platforms	-	58,750	58,750
Bayview Heights Drainage	1,184	-	1,184
Beach and Bay Sand Management	-	87,565	87,565
Bilge Pumpout/Oil Collection	2,450	2,155	4,605
Grand Canal Emergency	-	256,785	256,785
Harbor Bulkheads Seawalls	139,910	-	139,910
Harbor Dredging	1,409	387,185	388,594
Harbor Piers Rehabilitation	-	1,279	1,279
Harbor Seawalls/Bulkheads Repair	92,414	-	92,414
Harbor Tide Gauge	-	13,922	13,922
Newport Pier Building Platform	-	5,062	5,062
Ocean Piers Inspect/Maintenance	123,319	-	123,319
Tide Valve Replacement Program	391	-	391
TMDL Compliance/Water Quality Imp	100,590	1,810	102,400
Total Capital improvement projects	<u>622,606</u>	<u>819,971</u>	<u>1,442,577</u>
<b>Total Expenditures</b>	<b><u>\$ 18,512,795</u></b>	<b><u>\$ 819,971</u></b>	<b><u>\$ 19,332,766</u></b>
<b>Other financing sources</b>			
Transfers in	3,042,672	5,414,939	8,457,611
Transfers out	(10,740)	-	(10,740)
Total other financing sources	<u>3,031,932</u>	<u>5,414,939</u>	<u>8,446,871</u>
<b>Net change in fund balance</b>	<b>(3,537,916)</b>	<b>9,265,734</b>	<b>5,727,818</b>
<b>Fund balance, beginning</b>	<b><u>6,409,439</u></b>	<b><u>7,132,798</u></b>	<b><u>13,542,237</u></b>
<b>Fund balance, ending</b>	<b><u>\$ 2,871,523</u></b>	<b><u>\$ 16,398,532</u></b>	<b><u>\$ 19,270,055</u></b>

See accompanying notes to basic financial statements

## NOTES

### 1) Basis of Accounting and Measurement Focus

The basic financial statements of the Newport Beach, CA Tide and Submerged Lands are comprised of fund financial statements and notes to the financial statements.

The fund financial statements utilize the current financial resources measurement focus and thus have a short-term focus measuring inflows of current spendable assets. The resulting net difference between current financial assets, deferred outflows of resources, current financial liabilities, and deferred inflows of resources is otherwise known as fund balance. Fund balance is similar to net working capital in the private sector, a measure of the entity's ability to finance activities in the near term.

Tidelands are accounted for in two Special Revenue funds. These Special Revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for the Tide and Submerged Lands. Fund descriptions are:

Tide and Submerged Land – Operating Fund is a Special Revenue fund used to account for revenues related to the operation of the City's tidelands, including beaches and marinas, and the related expenditures. Revenue from tideland operations includes, but is not limited to, rents from moorings, piers, and leases, as well as income from parking lots, meters, and the sale of oil.

Tide and Submerged Land – Harbor Capital Fund is used to account for incremental increases in revenue from certain property leases, piers, and mooring rentals that exceed Council designated base year revenue amounts, as well as other designated revenues and the related expenditures for capital projects, maintenance, and servicing of loan advances from the General fund.

These 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. The City uses an availability period of 60 days for all revenues in the Tidelands fund.

### 2) Advances

Advances from the General Fund to the Tide and Submerged Land – Harbor Capital Fund are primarily for the purpose of funding expenditures for dredging, seawall repairs and maintenance, and other high impact projects within the City's tidelands, specifically within, or benefitting the Newport Harbor. Over the years, the General Fund has advanced \$15.8 million to the Tide and Submerged Land – Harbor Capital Fund. The balance of advance due to the General Fund as of June 30, 2020 is \$10.7 million.

	<u>Advance from</u>	<u>Advance to</u>
General Fund	\$ 10,676,659	\$ -
Tide and Submerged Land - Harbor Capital Fund	-	10,676,659
Total	<u>\$ 10,676,659</u>	<u>\$ 10,676,659</u>