

DUE DECEMBER 31

Pursuant to Public
Resources Code § 6306

Granted Public Trust Lands Standardized Reporting Form



Fiscal/Calendar Year: Ended June 30, 2016

Grantee Name: City of Avalon

Contact Person: Robert Mescher, Finance Director

Contact Phone: 310-510-0220 x 170

Mailing Address: PO Box 707

Avalon, CA 90704

1. Funds

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

YES NO

If "No", under what fund are they accounted for? If "Yes," please list the name(s) of the fund(s)
Harbor Fund

- b. Are separate financial statements prepared for the trust?

YES NO

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)) If "Yes," describe the organization of the separate financial statement.
Page 19 - 25 of the City's Audited Financial Statements. (Attached)

2. Revenue

- a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year? \$7,999,517

- b. Please list all sources of revenue and the amount of revenue generated from each source (e.g. permits, rentals, percentage of lease) See attached Harbor Fund Revenues

3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year? \$7,688,678

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

- 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?

Yes. Fuel Dock was removed and replaced. \$1.2 million spent in FY16, \$1.9 million in FY17; total of \$3.1 million

- 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 another entity or under the management of another political subdivision of the grantee per an agreement, settlement, or Memorandum of Understanding.

Removal of Fuel Dock damaged due to age and storms. Replaced in FY16 and FY17.

4. Beginning and Ending Balance

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

Beginning \$4,107,558 and Ending \$4,418,427

For all questions, please give the page number where the information can be found in your accompanying financial document. Please use additional pages as necessary.

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, 2016
(With comparative information for the prior year)

	Business-type Activities			
	Harbor	Sewer	Saltwater	Solidwaste
Assets:				
Current Assets:				
Cash and investments	\$ 2,470,937	721,099	650,634	1,148,947
Receivables, net:				
Accounts	571,428	4,077	904	6,974
Taxes	19,897	36,779	11,273	35,634
Interest	-	-	-	-
Total current assets	<u>3,062,262</u>	<u>761,955</u>	<u>662,811</u>	<u>1,191,555</u>
Noncurrent assets:				
Capital assets, not being depreciated	1,435,006	23,000	-	-
Capital assets, net of accumulated depreciation	<u>4,075,197</u>	<u>4,028,909</u>	<u>557,136</u>	<u>492,534</u>
Total noncurrent assets	<u>5,510,203</u>	<u>4,051,909</u>	<u>557,136</u>	<u>492,534</u>
Total assets	<u>8,572,465</u>	<u>4,813,864</u>	<u>1,219,947</u>	<u>1,684,089</u>
Deferred Outflows of Resources:				
Deferred outflows - pension related	<u>216,092</u>	<u>15,165</u>	<u>7,582</u>	<u>-</u>
Total deferred outflows of resources	<u>216,092</u>	<u>15,165</u>	<u>7,582</u>	<u>-</u>
Liabilities:				
Current liabilities:				
Accounts payable	258,267	127,349	17,230	134,122
Interest payable	21,193	5,642	-	-
Accrued liabilities	134,499	5,464	1,830	-
Unearned revenue	132,735	-	-	-
Due to other funds (note 3)	-	-	-	-
Current portion of noncurrent liabilities	<u>286,439</u>	<u>79,682</u>	<u>3,721</u>	<u>-</u>
Total current liabilities	<u>833,133</u>	<u>218,137</u>	<u>22,781</u>	<u>134,122</u>
Noncurrent liabilities:				
Compensated absences	288,722	7,643	9,762	-
Capital lease liability	-	125,169	-	-
Net pension liability	1,853,099	130,042	65,021	-
OPEB obligation	848,349	114,052	31,934	-
Claims payable	5,500	10,000	-	-
Loans payable	<u>400,140</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>3,395,810</u>	<u>386,906</u>	<u>106,717</u>	<u>-</u>
Total liabilities	<u>4,228,943</u>	<u>605,043</u>	<u>129,498</u>	<u>134,122</u>
Deferred Inflows of Resources:				
Deferred inflows - pension related	<u>141,187</u>	<u>9,908</u>	<u>4,954</u>	<u>-</u>
Total deferred inflows of resources	<u>141,187</u>	<u>9,908</u>	<u>4,954</u>	<u>-</u>
Net Position:				
Net investment in capital assets	4,996,429	3,866,921	557,136	492,534
Unrestricted	<u>(578,002)</u>	<u>347,157</u>	<u>535,941</u>	<u>1,057,433</u>
Total net position	<u>\$ 4,418,427</u>	<u>4,214,078</u>	<u>1,093,077</u>	<u>1,549,967</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

Avalon Transit	Governmental Activities - Internal			
	Total Enterprise Funds		Service Funds	
	2016	2015	2016	2015
-	4,991,617	5,328,743	1,034,934	975,855
51,282	634,665	821,362	-	29,368
-	103,583	72,556	-	-
-	-	3,873	-	716
<u>51,282</u>	<u>5,729,865</u>	<u>6,226,534</u>	<u>1,034,934</u>	<u>1,005,939</u>
-	1,458,006	165,137	-	-
<u>1,376,600</u>	<u>10,530,376</u>	<u>9,992,230</u>	<u>596,755</u>	<u>642,407</u>
<u>1,376,600</u>	<u>11,988,382</u>	<u>10,157,367</u>	<u>596,755</u>	<u>642,407</u>
<u>1,427,882</u>	<u>17,718,247</u>	<u>16,383,901</u>	<u>1,631,689</u>	<u>1,648,346</u>
-	238,839	295,503	-	-
-	238,839	295,503	-	-
54,494	591,462	390,487	192,484	139,723
-	26,835	33,092	-	-
-	141,793	124,035	43,630	55,889
51,039	183,774	144,319	-	-
188,502	188,502	-	28,481	-
-	369,842	342,183	39,600	30,637
<u>294,035</u>	<u>1,502,208</u>	<u>1,034,116</u>	<u>304,195</u>	<u>226,249</u>
-	306,127	204,737	-	-
-	125,169	184,987	-	-
-	2,048,162	2,055,567	-	-
-	994,335	826,696	-	-
-	15,500	69,446	250,000	319,498
-	400,140	513,775	-	-
-	3,889,433	3,855,208	250,000	319,498
<u>294,035</u>	<u>5,391,641</u>	<u>4,889,324</u>	<u>554,195</u>	<u>545,747</u>
-	156,049	457,834	-	-
-	156,049	457,834	-	-
1,376,600	11,289,620	9,291,816	596,755	642,407
<u>(242,753)</u>	<u>1,119,776</u>	<u>2,040,430</u>	<u>480,739</u>	<u>460,192</u>
<u>1,133,847</u>	<u>12,409,396</u>	<u>11,332,246</u>	<u>1,077,494</u>	<u>1,102,599</u>
	<u>(184,012)</u>	<u>(240,722)</u>		
	<u>\$ 12,225,384</u>	<u>11,091,524</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, 2016
(With comparative information for the prior year)

	Business-type Activities			
	Harbor	Sewer	Saltwater	Solidwaste
Operating revenues:				
Charges for services	\$ 7,354,462	1,783,886	585,986	1,902,075
Other revenue	<u>101,262</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenues	<u>7,455,724</u>	<u>1,783,886</u>	<u>585,986</u>	<u>1,902,075</u>
Operating expenses:				
Salaries and benefits	4,495,733	387,617	162,659	45,439
Contractual services	883,745	1,161,408	243,459	1,494,182
Office supplies	2,974	-	-	-
Utilities and rent	421,129	177,445	-	10,920
Repairs and maintenance	602,985	156,219	61,630	61,306
Operating supplies	35,469	1,110	519	-
Other services and charges	970,519	33,427	13,514	24,199
Depreciation	<u>252,598</u>	<u>461,007</u>	<u>82,433</u>	<u>74,069</u>
Total operating expenses	<u>7,665,152</u>	<u>2,378,233</u>	<u>564,214</u>	<u>1,710,115</u>
Operating income (loss)	<u>(209,428)</u>	<u>(594,347)</u>	<u>21,772</u>	<u>191,960</u>
Nonoperating revenues (expenses):				
Admissions taxes	191,153	-	-	-
Loss on disposal of capital assets	-	-	-	-
Grants and other revenues	331,081	-	-	10,100
Interest income	8,813	4,841	1,354	2,426
Interest expense	<u>(23,526)</u>	<u>(5,642)</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>507,521</u>	<u>(801)</u>	<u>1,354</u>	<u>12,526</u>
Income before capital contributions and transfers	298,093	(595,148)	23,126	204,486
Capital contributions and transfers:				
Capital contributions	-	-	-	-
Transfers in (note 3)	<u>12,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital contributions and transfers	<u>12,746</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	310,839	(595,148)	23,126	204,486
Net position, beginning of year	<u>4,107,588</u>	<u>4,809,226</u>	<u>1,069,951</u>	<u>1,345,481</u>
Net position, end of year	<u>\$ 4,418,427</u>	<u>4,214,078</u>	<u>1,093,077</u>	<u>1,549,967</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

Avalon Transit	Total Enterprise Funds		Governmental Activities - Internal Service Funds	
	2016	2015	2016	2015
6,374	11,632,783	11,451,258	2,736,095	2,447,128
-	101,262	65,799	1,500	-
<u>6,374</u>	<u>11,734,045</u>	<u>11,517,057</u>	<u>2,737,595</u>	<u>2,447,128</u>
-	5,091,448	4,897,341	1,012,788	929,896
68,027	3,850,821	3,518,685	804,423	701,078
1,647	4,621	3,977	80,665	89,289
-	609,494	496,093	152,132	86,202
-	882,140	739,472	185,881	138,061
-	37,098	56,936	100,586	62,471
3,778	1,045,437	1,055,016	286,089	374,848
<u>107,310</u>	<u>977,417</u>	<u>862,600</u>	<u>142,246</u>	<u>144,755</u>
<u>180,762</u>	<u>12,498,476</u>	<u>11,630,120</u>	<u>2,764,810</u>	<u>2,526,600</u>
<u>(174,388)</u>	<u>(764,431)</u>	<u>(113,063)</u>	<u>(27,215)</u>	<u>(79,472)</u>
-	191,153	178,547	-	-
-	-	(32,413)	-	-
-	341,181	106,598	-	-
-	17,434	12,476	2,110	2,306
<u>-</u>	<u>(29,168)</u>	<u>(35,816)</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>520,600</u>	<u>229,392</u>	<u>2,110</u>	<u>2,306</u>
(174,388)	(243,831)	116,329	(25,105)	(77,166)
969,741	-	-	-	-
<u>338,494</u>	<u>351,240</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,308,235</u>	<u>351,240</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,133,847	107,409	116,329	(25,105)	(77,166)
-	-	-	1,102,599	1,179,765
<u>1,133,847</u>	<u>-</u>	<u>-</u>	<u>1,077,494</u>	<u>1,102,599</u>
-	56,710	33,531	-	-
<u>\$ 164,119</u>	<u>149,860</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements

CITY OF AVALON
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2016
(With comparative information for the prior year)

	Harbor	Sewer	Saltwater	Solidwaste
Cash Flows from Operating Activities:				
Cash received from customers	\$ 7,711,675	1,759,645	585,131	1,885,364
Cash received from interfund services provided	-	-	-	-
Cash payments to suppliers for goods and services	(2,865,330)	(1,476,895)	(312,365)	(1,579,415)
Cash payments to employees for services	(4,483,350)	(394,098)	(161,698)	(45,439)
Net cash provided by operating activities	<u>362,995</u>	<u>(111,348)</u>	<u>111,068</u>	<u>260,510</u>
Cash Flows from Noncapital Financing Activities:				
Cash received from admissions taxes	191,153	-	-	-
Cash received from other funds	12,746	-	-	-
Net cash provided by noncapital financing activities	<u>203,899</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities:				
Cash received for capital grants	331,081	-	-	10,100
Cash payments to acquire capital and other assets	(1,250,608)	(73,915)	-	-
Principal paid on capital-related debt	(108,743)	(58,048)	-	-
Interest paid on capital-related debt	(28,012)	(7,413)	-	-
Net cash provided by capital and related financing activities	<u>(1,056,282)</u>	<u>(139,376)</u>	<u>-</u>	<u>10,100</u>
Cash Flows from Investing Activities:				
Interest received on investments	10,744	5,908	1,752	2,904
Net increase (decrease) in cash and cash equivalents	<u>(478,644)</u>	<u>(244,816)</u>	<u>112,820</u>	<u>273,514</u>
Cash and cash equivalents - beginning	2,949,581	965,915	537,814	875,433
Cash and cash equivalents - ending	<u>2,470,937</u>	<u>721,099</u>	<u>650,634</u>	<u>1,148,947</u>
Reconciliation of Operating Income (loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	(209,428)	(594,347)	21,772	191,960
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation	252,598	461,007	82,433	74,069
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	241,811	(3,913)	(855)	936
(Increase) decrease in taxes receivable	14,140	(20,328)	(7,192)	(17,647)
(Increase) decrease in deferred outflows	51,762	3,393	1,509	-
Increase (decrease) in accounts payable	65,588	54,343	15,358	11,192
Increase (decrease) in accrued liabilities	9,212	(1,629)	(1,409)	-
Increase (decrease) in compensated absences	87,613	(322)	4,459	-
Increase (decrease) in OPEB obligation	156,959	8,344	2,336	-
Increase (decrease) in net pension liability	(10,141)	949	1,787	-
Increase (decrease) in deferred inflows	(273,810)	(18,845)	(9,130)	-
Increase (decrease) in claims payable	(23,309)	-	-	-
Net Cash Provided by Operating Activities	<u>\$ 362,995</u>	<u>(111,348)</u>	<u>111,068</u>	<u>260,510</u>
Noncash capital, financing, and investing activities:				
Capital lease agreement	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

See accompanying notes to the financial statements

Avalon Transit	Total Enterprise Funds		Governmental Activities - Internal Service Funds	
	2016	2015	2016	2015
6,131	11,947,946	11,558,620	-	-
-	-	-	2,737,595	2,447,128
(18,958)	(6,252,963)	(5,999,195)	(1,600,441)	(1,660,929)
-	(5,084,585)	(4,750,695)	(1,012,788)	(929,896)
<u>(12,827)</u>	<u>610,398</u>	<u>808,730</u>	<u>124,366</u>	<u>(143,697)</u>
-	191,153	178,547	-	-
<u>526,996</u>	<u>539,742</u>	<u>-</u>	<u>28,481</u>	<u>-</u>
<u>526,996</u>	<u>730,895</u>	<u>178,547</u>	<u>28,481</u>	<u>-</u>
969,741	1,310,922	106,598	-	-
(1,483,910)	(2,808,433)	(229,542)	(96,594)	-
-	(166,791)	(169,520)	-	-
-	(35,425)	(32,696)	-	-
<u>(514,169)</u>	<u>(1,699,727)</u>	<u>(325,160)</u>	<u>(96,594)</u>	<u>-</u>
-	21,308	10,377	2,826	1,749
-	(337,126)	672,494	59,079	(141,948)
-	5,328,743	4,656,249	975,855	1,117,803
-	4,991,617	5,328,743	1,034,934	975,855
(174,388)	(764,431)	(113,063)	(27,215)	(79,472)
107,310	977,417	862,600	142,246	144,755
(243)	237,736	71,531	29,368	78,391
-	(31,027)	(34,049)	-	-
-	56,664	(55,842)	-	-
54,494	200,975	(107,603)	52,761	(202,581)
-	6,174	33,145	(12,259)	(40,041)
-	91,750	26,353	-	-
-	167,639	157,826	-	-
-	(7,405)	(439,525)	-	-
-	(301,785)	457,834	-	-
-	(23,309)	(50,477)	(60,535)	(44,749)
<u>(12,827)</u>	<u>610,398</u>	<u>808,730</u>	<u>124,366</u>	<u>(143,697)</u>
-	-	308,497	-	-

See accompanying notes to the financial statements

**City of Avalon
Harbor Fund Revenues
For the Year Ended June 30, 2016**

Revenues	Amount
ADMIN TAX PENL AND INT	7,519
ADMISSION TAX	191,155
CASH OVER/SHORT	1,859
FRANCHISE FEES	9,628
FUEL DOCK-FUEL CHARGES	964,916
FUEL DOCK-LUBES/OIL	2,878
FUEL DOCK-STORE	17,801
HARBOR SVC CHGS-GENERAL	1,364,142
HARBOR TOWS	2,112
HARBOR TRANSFER FEES	123,165
HARBOR USE FEES	353,930
HBR USE FEE PEN AND INT	10,338
INSURANCE-CITY	331,081
INTEREST INCOME	8,813
MISCELLANEOUS	81,462
MOLE HOIST USAGE FEES	1,452
MOORING PERMITS-ANNUAL	268,992
MOORING WAIT LIST CHGS	1,324
PIER AND TIDELAND PEN/INT	84
PIER AND TIDELAND RENTALS	508,700
SHOREBOAT SVCS	15,305
TRSFRS IN-TRANSPORTATION	12,746
WATER METER REVENUE	4,307
WHARFAGE FEES-CRS CHANNEL	3,295,898
WHARFAGE FEES-CRUISE SHIP	419,912
Grand Total	7,999,517

**City of Avalon
Harbor Fund Expenses
For the Year Ended June 30, 2016**

Expenses	Amount
ADMINISTRATION	780,629
ADVERTISING	150
AVALON COMPLEX	170
BANK AND CC FEES	41,700
CALPERS RETIREMENT EXP	(232,192)
CALPERS UNFUNDED LIAB PMT	261,966
CITY ATTORNEY RETAINER	48,978
CLOTHING ALLOWANCE	18,177
COMMUNICATIONS	4,103
COUNTY BEACHES CONTRACT	709,240
DEPRCTN-MACH AND EQUIP	47,515
DEPRECIATION - BUILDINGS	86,837
DEPRECIATION-IMP OT BLDGS	118,245
EQUIPMENT LEASE CHARGES	143,623
FICA RETIREMENT	426,754
FLOAT STORAGE	34,894
FOUL WEATHER GEAR	429
FUEL DOCK PERMITS	5,384
FUEL DOCK PUMP MAINT	4,956
FUEL DOCK TESTING	12,790
GAS, DIESEL AND OIL	599,731
GENERAL INSURANCE	241,747
HBR SUNGLASSES/MOU	1,922
HEALTH/LIFE INSURANCE	366,469
INSURANCE	35,105
MAIN AND RPR OF BLDG GDS	235,595
MEMBERSHIP AND DUES	300
MERCHANDISE	7,478
MO. MAINT HBR COMPUTERS	25,585
OFFICE SUPPLIES	1,660
OPEB EXPENDITURES	156,959
OTHER PERSONNEL SRVCS	28,350
OVERTIME REGULAR	87,865
PESTICIDE SPRAYING-HBR	2,251
PIER GENERATOR INSTL CSTS	(11,051)
PLUMBING AND ELECTRICAL	31,471
PRESSURE WASHING SRVCS	5,200
R AND M - FLOATS/WHARFS	48,127
R AND M - MOORINGS	28,512
R AND M FLOAT ANCHOR CHNS	3,580
RENT - FIBER LINE - IT	7,763
RENT-CASINO DOCK RESTRMS	11,232

**City of Avalon
Harbor Fund Expenses
For the Year Ended June 30, 2016**

Expenses	Amount
RENT-CASINO FUEL TANKS	62,802
RENT-GENERAL	7,253
RENT-SCI CO. CAR PARKING	1,353
RESERVE FOR CLAIMS	(23,309)
RESTROOM MAINTENANCE	94,603
SALARIES FUEL DOCK PT	73,622
SALARIES PART TIME	55,689
SALARIES REGULAR	2,145,728
SECURITY CAMERAS	2,936
SHOWER FACILITY CONTRACT	37,662
SHOWER/RESTROOM MAINT	75,385
SMALL TOOLS	707
SPECIAL DEPT EXPENSE	27,643
STATE DBAW LOAN INTEREST	23,529
STORM DAMAGE	145,024
TRAINING AND TRAVEL	18,862
TRASH BAGS	6,865
UNEMPLOYMENT INS	3
UTILITIES - GAS WTR DUMP	55,000
UTILITIES-ELECTRICITY	37,383
UTILITIES-GENERAL	2,235
UTILITIES-SALT WATER	65,125
UTILITIES-SEWER	125,946
WATERFRONT TRASH CONTRACT	114,295
WORKERS COMP	102,137
Grand Total	7,688,678