

**DUE DECEMBER 31**

Pursuant to Public  
Resources Code § 6306

# Granted Public Trust Lands Standardized Reporting Form



**Fiscal/Calendar Year:** 2015/16

**Grantee Name:** City of Morro Bay  
**Contact Person:** David Buckingham, City Manager  
**Contact Phone:** 805.772.6205  
**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 "No", under what fund are they accounted for? If "Yes," please list the name(s) of the fund(s)

Harbor Operating 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.

City's CAFR pages 22, 38, 40, and 64 and the City's Budget Performance Report - attached

## 2. Revenue

- a. What was the gross revenue received or generated from trust land or trust assets during the past fiscal year? \$2,104,018.89

- b. Please list all sources of revenue and the amount of revenue generated from each source (e.g. permits, rentals, percentage of lease) Audited Budget Performance Report - pages 1 & 2

## 3. Expenses

- a. What was the total expenditure of funds received or generated from trust land or assets during the past fiscal year? \$2,118,295.98

- b. What expenses were allocated or charged directly to the trust? Please list the source of the expenditure and the amount expended. Audited Budget Performance Report - pages 2, 3, & 4

- 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?

None

- 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.

\$281,986 Cost Allocation paid to the City's General Fund for services - page 4 (\$16,250 to CIP, and \$2,000 to the IT ISF)

## 4. Beginning and Ending Balance

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

Beginning \$507,112 Ending \$484,957

**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.**

Account	Account Description	Adopted Budget	Budget Amendments	Amended Budget	Current Month Transactions	YTD Encumbrances	YTD Transactions	Budget - YTD Transactions	% Used/ Rec'd	Prior Year Total
<b>Fund 331 - Harbor Operating Fund</b>										
<b>REVENUE</b>										
Department 1201 - NFWF Plan/Dev Grant										
3303	Fed Grant Other Govt Svc	.00	.00	.00	.00	.00	.00	.00	+++	22,500.00
Department 1201 - NFWF Plan/Dev Grant Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	+++	\$22,500.00
Department 6510 - Harbor Department										
3437	Live Aboard Services	6,500.00	.00	6,500.00	237.45	.00	6,451.68	48.32	99	6,746.52
3439	Other Harbor Services	17,000.00	.00	17,000.00	2,996.21	.00	24,606.27	(7,606.27)	145	17,583.41
3440	Harbor Leases	1,544,355.00	3,086.00	1,547,441.00	416,707.18	.00	1,562,180.89	(14,739.89)	101	1,521,722.70
3441	North T-Pier Dockage	30,000.00	8,000.00	38,000.00	7,427.58	.00	43,403.88	(5,403.88)	114	38,221.40
3442	South T-Pier Dockage	45,000.00	15,000.00	60,000.00	10,796.02	.00	66,475.31	(6,475.31)	111	65,979.30
3443	Mooring Rental	87,000.00	2,600.00	89,600.00	2,914.54	.00	101,605.74	(12,005.74)	113	97,428.44
3444	Slip Rental	94,000.00	7,000.00	101,000.00	3,571.80	.00	96,234.25	4,765.75	95	90,803.12
3445	Slip Transient Sublease	35,000.00	.00	35,000.00	7,272.68	.00	46,529.83	(11,529.83)	133	32,980.05
3447	Floating Dockage Rental	4,500.00	.00	4,500.00	166.32	.00	1,912.93	2,587.07	43	4,382.00
3469	Special Events	500.00	.00	500.00	.00	.00	174.50	325.50	35	.00
3499	Other Rev/Current Svc	1,000.00	.00	1,000.00	.00	.00	388.00	612.00	39	1.06
3631	Penalties	.00	.00	.00	1,510.18	.00	14,924.15	(14,924.15)	+++	38,032.49
3730	Rental Income	.00	.00	.00	360.00	.00	5,870.00	(5,870.00)	+++	3,220.00
3905	Bad Debts Recovery	.00	.00	.00	.00	.00	.00	.00	+++	27.84
3913	Sale of Real Property	.00	.00	.00	.00	.00	.00	.00	+++	9,500.00
3919	Auctioned Property	5,000.00	.00	5,000.00	.00	.00	.00	5,000.00	0	.00
3960	Proceeds of Litigation	.00	.00	.00	.00	.00	108.28	(108.28)	+++	.00
3970	Donations	.00	.00	.00	.00	.00	.00	.00	+++	639.02
3990	Other Misc. Revenues	.00	.00	.00	9,523.92	.00	10,118.02	(10,118.02)	+++	11,919.00
Department 6510 - Harbor Department Totals		\$1,869,855.00	\$35,686.00	\$1,905,541.00	\$463,483.88	\$0.00	\$1,980,983.73	(\$75,442.73)	104%	\$1,939,186.35
Department 6511 - Harbor Lifeguards										
3990	Other Misc. Revenues	.00	.00	.00	.00	.00	1,125.00	(1,125.00)	+++	.00
Department 6511 - Harbor Lifeguards Totals		\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,125.00	(\$1,125.00)	+++	\$0.00
Department 7710 - Interfund Transactions										
3802	Intrafund Revenue Trans.	.00	.00	.00	92,660.16	.00	92,660.16	(92,660.16)	+++	.00
Department 7710 - Interfund Transactions Totals		\$0.00	\$0.00	\$0.00	\$92,660.16	\$0.00	\$92,660.16	(\$92,660.16)	+++	\$0.00
Department 8479 - Launch Ramp Parking										
3499	Other Rev/Current Svc	27,000.00	.00	27,000.00	3,322.00	.00	29,250.00	(2,250.00)	108	30,962.00
Department 8479 - Launch Ramp Parking Totals		\$27,000.00	\$0.00	\$27,000.00	\$3,322.00	\$0.00	\$29,250.00	(\$2,250.00)	108%	\$30,962.00
<b>REVENUE TOTALS</b>		<b>\$1,896,855.00</b>	<b>\$35,686.00</b>	<b>\$1,932,541.00</b>	<b>\$559,466.04</b>	<b>\$0.00</b>	<b>\$2,104,018.89</b>	<b>(\$171,477.89)</b>	<b>109%</b>	<b>\$1,992,648.35</b>
<b>EXPENSE</b>										

Department **6510 - Harbor Department**

4110	Regular Pay	501,503.00	.00	501,503.00	70,050.09	.00	511,651.67	(10,148.67)	102	491,959.59
4120	Overtime Pay	7,000.00	.00	7,000.00	429.75	.00	9,817.04	(2,817.04)	140	8,310.28
4310	Part-Time Pay	90,000.00	20,000.00	110,000.00	11,046.09	.00	87,433.90	22,566.10	79	107,508.20
4515	Standby Pay	15,300.00	.00	15,300.00	1,674.00	.00	15,276.00	24.00	100	14,527.00
4599	Other Pay	7,000.00	.00	7,000.00	1,065.20	.00	6,901.73	98.27	99	8,629.16
4910	Employer Paid Benefits	351,551.00	5,626.00	357,177.00	42,413.11	.00	377,724.97	(20,547.97)	106	302,077.84
4911	Pension Expenses	.00	.00	.00	(82,659.00)	.00	(82,659.00)	82,659.00	+++	(39,284.00)
5105	First Aide Supplies	2,000.00	.00	2,000.00	.00	.00	.00	2,000.00	0	1,470.31
5108	Communication Supplies	4,000.00	.00	4,000.00	.00	.00	5,118.97	(1,118.97)	128	3,176.29
5109	Uniforms/Safety Equipment	5,000.00	2,000.00	7,000.00	1,435.38	.00	7,413.86	(413.86)	106	3,307.98
5110	Fuel Oil & Lubricants	24,000.00	.00	24,000.00	3,657.06	.00	24,023.50	(23.50)	100	30,322.72
5111	Fire Hoses & Couplings	1,000.00	.00	1,000.00	.00	.00	.00	1,000.00	0	.00
5125	Repairs/Maint. Materials	500.00	.00	500.00	.00	.00	.00	500.00	0	453.60
5175	Computer Operating Supp.	2,000.00	.00	2,000.00	.00	.00	.00	2,000.00	0	645.87
5199	Misc. Operating Supplies	1,500.00	.00	1,500.00	254.27	.00	1,395.81	104.19	93	941.97
5201	Other Expense	.00	.00	.00	15,867.18	.00	15,867.18	(15,867.18)	+++	.00
5301	General Office Supplies	2,500.00	.00	2,500.00	224.87	.00	3,117.94	(617.94)	125	2,721.07
5303	Books & Manuals	.00	.00	.00	.00	.00	94.83	(94.83)	+++	35.21
5304	Periodical/Subscriptions	200.00	.00	200.00	.00	.00	156.36	43.64	78	107.55
5305	Forms Printing	2,000.00	.00	2,000.00	.00	.00	1,650.83	349.17	83	1,781.09
5501	Grounds Maint. Supplies	7,500.00	.00	7,500.00	78.55	.00	7,058.13	441.87	94	8,600.47
5502	Building Maint. Supplies	5,000.00	.00	5,000.00	85.56	.00	4,582.18	417.82	92	3,836.38
5503	Rolling Stock Supplies	.00	.00	.00	41.03	.00	371.57	(371.57)	+++	126.82
5504	Machinery/Equip/Supplies	17,000.00	.00	17,000.00	7,914.98	.00	24,630.63	(7,630.63)	145	24,465.04
5530	Small Tools	2,500.00	.00	2,500.00	13.44	.00	1,664.36	835.64	67	2,308.48
6101	Legal Services	65,000.00	.00	65,000.00	23,771.77	.00	96,390.33	(31,390.33)	148	61,054.02
6102	Legislative Analyst	8,400.00	.00	8,400.00	4,200.00	.00	8,400.00	.00	100	8,400.00
6103	Financial Audits	15,000.00	(10,000.00)	5,000.00	.00	.00	.00	5,000.00	0	.00
6105	Consulting Services	5,000.00	15,000.00	20,000.00	.00	.00	2,250.00	17,750.00	11	4,500.00
6106	Contractual Services	25,000.00	(15,000.00)	10,000.00	3,328.30	.00	16,568.49	(6,568.49)	166	17,818.03
6107	Promotion & Advertising	3,000.00	3,000.00	6,000.00	.00	.00	5,098.12	901.88	85	26.85
6125	Professional Development	6,000.00	.00	6,000.00	(871.00)	.00	2,674.40	3,325.60	45	6,509.57
6199	Other Professional Svc	5,500.00	.00	5,500.00	546.33	.00	6,632.49	(1,132.49)	121	6,411.91
6201	Telephone	5,000.00	.00	5,000.00	1,594.36	.00	9,802.02	(4,802.02)	196	9,362.25
6220	Postage	1,100.00	.00	1,100.00	230.19	.00	2,210.37	(1,110.37)	201	1,279.48
6300	Utilities	.00	.00	.00	.00	.00	1,994.65	(1,994.65)	+++	.00
6301	Electricity	15,000.00	.00	15,000.00	4,923.48	.00	22,871.43	(7,871.43)	152	24,368.37
6302	Natural Gas	500.00	.00	500.00	130.68	.00	815.37	(315.37)	163	745.77
6303	Water	20,000.00	.00	20,000.00	7,231.50	.00	27,304.78	(7,304.78)	137	24,242.18
6305	Disposal	55,000.00	.00	55,000.00	9,491.60	.00	53,194.44	1,805.56	97	53,298.21
6401	General Liability	52,685.00	.00	52,685.00	4,390.42	.00	52,685.00	.00	100	52,000.00
6411	Property Damage Ins.	25,245.00	.00	25,245.00	1,814.25	.00	23,321.41	1,923.59	92	28,038.52
6472	Other Ins./Employee Bond	136.00	.00	136.00	11.33	.00	136.00	.00	100	134.00
6473	Vehicle Insurance	840.00	.00	840.00	72.49	.00	869.84	(29.84)	104	610.00
6510	Meetings & Conferences	2,500.00	.00	2,500.00	.00	.00	12,180.05	(9,680.05)	487	8,937.29

6511	Mileage Reimbursement	500.00	.00	500.00	.00	.00	21.06	478.94	4	.00
6513	Meals & Lodging	.00	.00	.00	38.88	.00	38.88	(38.88)	+++	.00
6519	Association Membership	2,600.00	.00	2,600.00	.00	.00	2,820.00	(220.00)	108	2,455.00
6601	Outside Equip. Repair/Mat	40,000.00	.00	40,000.00	1,342.00	.00	46,788.36	(6,788.36)	117	30,518.31
6602	Outside Structural Repair	5,000.00	.00	5,000.00	.00	.00	844.50	4,155.50	17	788.80
6603	Outside Ground Repair	1,500.00	.00	1,500.00	.00	.00	100.00	1,400.00	7	2,389.71
6604	Outside Vehicle Repair/Maint	700.00	.00	700.00	.00	.00	676.06	23.94	97	191.48
6640	Maintenance Contracts	1,500.00	.00	1,500.00	.00	.00	1,398.00	102.00	93	1,288.00
6710	Notices & Publications	500.00	.00	500.00	150.04	.00	886.14	(386.14)	177	600.15
6720	Medical Examinations	.00	.00	.00	325.00	.00	1,400.00	(1,400.00)	+++	2,160.00
6741	Misc. Bank Charges	4,000.00	.00	4,000.00	328.71	.00	6,295.85	(2,295.85)	157	3,501.71
6750	Business Equipment Rental	1,500.00	.00	1,500.00	221.01	.00	2,868.67	(1,368.67)	191	2,822.12
6810	Equipment Rental	700.00	.00	700.00	48.53	.00	2,631.15	(1,931.15)	376	761.40
7499	Other Capital Outlay	.00	13,000.00	13,000.00	.00	.00	.00	13,000.00	0	.00
8110	Interest Expense	35,760.00	.00	35,760.00	.00	.00	35,759.95	.05	100	40,027.37
8130	Principal Repayment	99,099.00	.00	99,099.00	(99,099.05)	.00	.00	99,099.00	0	.00
8711	Non Capital Asset Expense	.00	.00	.00	15,525.31	.00	15,525.31	(15,525.31)	+++	.00
8730	Cap. Asset Depreciation	.00	.00	.00	167,591.23	.00	167,591.23	(167,591.23)	+++	202,218.68
8750	Bad Debts Written Off	.00	.00	.00	.00	.00	78,110.71	(78,110.71)	+++	50,666.27
Department 6510 - Harbor Department Totals		\$1,553,319.00	\$33,626.00	\$1,586,945.00	\$220,928.92	\$0.00	\$1,732,447.52	(\$145,502.52)	109%	\$1,626,154.37
Department 6511 - Harbor Lifeguards										
4120	Overtime Pay	300.00	.00	300.00	.00	.00	225.75	74.25	75	.00
4310	Part-Time Pay	35,000.00	.00	35,000.00	10,637.55	.00	41,934.78	(6,934.78)	120	31,385.95
4910	Employer Paid Benefits	6,580.00	.00	6,580.00	2,967.61	.00	9,457.58	(2,877.58)	144	6,106.75
5105	First Aide Supplies	500.00	.00	500.00	291.01	.00	498.31	1.69	100	.00
5109	Uniforms/Safety Equipment	3,000.00	.00	3,000.00	2,123.00	.00	3,677.77	(677.77)	123	5,418.57
5199	Misc. Operating Supplies	500.00	.00	500.00	448.33	.00	568.27	(68.27)	114	638.73
6106	Contractual Services	.00	.00	.00	.00	.00	.00	.00	+++	25.00
Department 6511 - Harbor Lifeguards Totals		\$45,880.00	\$0.00	\$45,880.00	\$16,467.50	\$0.00	\$56,362.46	(\$10,482.46)	123%	\$43,575.00
Department 7710 - Interfund Transactions										
8410	Intrafund Expense Trans.	10,470.00	.00	10,470.00	25,697.12	.00	25,697.12	(15,227.12)	245	141,632.45
8501	Transfers Out	283,986.00	.00	283,986.00	23,082.17	.00	300,236.00	(16,250.00)	106	281,986.00
Department 7710 - Interfund Transactions Totals		\$294,456.00	\$0.00	\$294,456.00	\$48,779.29	\$0.00	\$325,933.12	(\$31,477.12)	111%	\$423,618.45
Department 8479 - Launch Ramp Parking										
5501	Grounds Maint. Supplies	500.00	.00	500.00	.00	.00	.00	500.00	0	100.38
5504	Machinery/Equip/Supplies	500.00	.00	500.00	330.52	.00	330.52	169.48	66	.00
6106	Contractual Services	2,000.00	.00	2,000.00	75.00	.00	975.00	1,025.00	49	2,001.00
6300	Utilities	200.00	.00	200.00	40.04	.00	220.22	(20.22)	110	180.18
6640	Maintenance Contracts	.00	.00	.00	.00	.00	1,100.00	(1,100.00)	+++	.00
6741	Misc. Bank Charges	.00	.00	.00	82.85	.00	927.14	(927.14)	+++	756.06
Department 8479 - Launch Ramp Parking Totals		\$3,200.00	\$0.00	\$3,200.00	\$528.41	\$0.00	\$3,552.88	(\$352.88)	111%	\$3,037.62
EXPENSE TOTALS		\$1,896,855.00	\$33,626.00	\$1,930,481.00	\$286,704.12	\$0.00	\$2,118,295.98	(\$187,814.98)	110%	\$2,096,385.44
Fund 331 - Harbor Operating Fund Totals										
REVENUE TOTALS		1,896,855.00	35,686.00	1,932,541.00	559,466.04	.00	2,104,018.89	(171,477.89)	109%	1,992,648.35
EXPENSE TOTALS		1,896,855.00	33,626.00	1,930,481.00	286,704.12	.00	2,118,295.98	(187,814.98)	110%	2,096,385.44

Fund 331 - Harbor Operating Fund Totals	\$0.00	\$2,060.00	\$2,060.00	\$272,761.92	\$0.00	(\$14,277.09)	\$16,337.09		(\$103,737.09)
Grand Totals									
REVENUE TOTALS	1,896,855.00	35,686.00	1,932,541.00	559,466.04	.00	2,104,018.89	(171,477.89)	109%	1,992,648.35
EXPENSE TOTALS	1,896,855.00	33,626.00	1,930,481.00	286,704.12	.00	2,118,295.98	(187,814.98)	110%	2,096,385.44
Grand Totals	\$0.00	\$2,060.00	\$2,060.00	\$272,761.92	\$0.00	(\$14,277.09)	\$16,337.09		(\$103,737.09)

**City of Morro Bay**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years**  
**(Accrual Basis of Accounting)**  
**(in thousands of dollars)**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Expenses:</b>					
Governmental activities:					
Administration	\$ 2,718	\$ 851	\$ 1,393	\$ 2,773	\$ 1,556
Community promotion	661	848	905	1,167	1,481
Finance	748	680	710	630	1,117
Fire	2,132	2,656	1,873	2,658	3,220
Housing	605	20	184	53	69
Police	3,443	3,490	3,348	3,392	3,271
Public Works	1,229	2,979	2,532	2,985	3,714
Recreation	3,061	4,400	2,768	1,819	1,235
Total governmental activities expenses	<u>14,597</u>	<u>15,924</u>	<u>13,713</u>	<u>15,477</u>	<u>15,663</u>
Business-type activities:					
Water operations	4,864	4,066	4,377	4,113	4,405
Wastewater Collection operations	3,101	2,882	3,575	4,167	3,227
Harbor operations	1,682	1,746	2,032	2,234	1,783
Local transportation	274	288	282	270	295
Total business-type activities expenses	<u>9,921</u>	<u>8,982</u>	<u>10,266</u>	<u>10,784</u>	<u>9,710</u>
Total primary government expenses	<u>\$ 24,518</u>	<u>\$ 24,906</u>	<u>\$ 23,979</u>	<u>\$ 26,261</u>	<u>\$ 25,373</u>
<b>Program Revenues:</b>					
Governmental activities:					
Charges for services:					
Administration	\$ 1,936	\$ 652	\$ 250	\$ 1,920	\$ 140
Community promotion	1	-	-	471	1,326
Finance	278	-	-	344	367
Fire	140	149	188	212	423
Housing	8	56	37	40	-
Police	57	94	49	-	31
Public Works	543	562	883	494	637
Recreation	755	577	818	535	589
Operating grants and contributions	911	1,889	757	442	1,745
Capital grants and contributions	991	652	354	1,602	343
Total governmental activities program revenues	<u>5,620</u>	<u>4,631</u>	<u>3,336</u>	<u>6,060</u>	<u>5,601</u>
Business-type activities:					
Charges for services:					
Water operations	3,391	3,399	3,504	3,312	4,460
Wastewater Collection operations	3,654	3,918	4,166	4,330	4,989
Harbor operations	1,836	1,926	2,015	1,911	1,927
Local transportation	36	41	40	42	49
Operating grants and contributions	442	494	182	455	315
Capital grants and contributions	170	-	764	-	-
Total business-type activities program revenues	<u>9,529</u>	<u>9,778</u>	<u>10,671</u>	<u>10,050</u>	<u>11,740</u>
Total primary government program revenues	<u>\$ 15,149</u>	<u>\$ 14,409</u>	<u>\$ 14,007</u>	<u>\$ 16,110</u>	<u>\$ 17,341</u>

Source: City of Morro Bay Administrative Services Department

(Concluded)

**City of Morro Bay**  
**Statement of Activities**  
**For the Year Ended June 30, 2016**

	Program Revenues			Capital Grants and Contributions
	Expenses	Charges for Services	Operating Grants and Contributions	
<b>Functions/Programs</b>				
<b>Governmental Activities:</b>				
Administration	\$ 1,556,268	\$ 139,573	\$ -	\$ -
Community promotion	1,480,497	1,326,608	980,853	-
Finance	1,117,343	367,471	21,839	-
Fire	3,219,756	422,782	1,848	-
Housing	69,051	-	111,389	-
Police	3,270,891	30,578	383,669	-
Public works	3,714,280	636,868	245,393	342,536
Rec/parks/maintenance	1,235,092	589,365	-	-
<b>Total Governmental Activities</b>	<u>15,663,178</u>	<u>3,513,245</u>	<u>1,744,991</u>	<u>342,536</u>
<b>Business-Type Activities:</b>				
Water	4,404,403	4,460,018	-	-
Sewer	3,227,130	4,988,523	-	-
Harbor	1,783,023	1,927,378	11,904	-
Local Transportation	295,151	49,133	302,858	-
<b>Total Business-Type Activities</b>	<u>9,709,707</u>	<u>11,425,052</u>	<u>314,762</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 25,372,885</u>	<u>\$ 14,938,297</u>	<u>\$ 2,059,753</u>	<u>\$ 342,536</u>

**City of Morro Bay**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended June 30, 2016**

	Business-Type Activities		
	Water Fund	Sewer Fund	Harbor Fund
<b>Operating Revenues:</b>			
Charges for services	\$ 4,459,983	\$ 4,985,771	\$ 1,915,464
Other revenues	35	2,752	11,914
<b>Total operating revenues</b>	<b>4,460,018</b>	<b>4,988,523</b>	<b>1,927,378</b>
<b>Operating Expenses:</b>			
Employee wages and benefits	706,412	593,544	977,764
Insurance costs	73,758	38,996	77,012
Transportation services	-	-	-
Public works	-	1,670,756	-
Depreciation	268,052	490,316	167,591
Maintenance	110,494	51,597	62,870
Administration	3,228,175	247,630	373,252
Supplies	17,512	134,291	88,774
<b>Total operating expenses</b>	<b>4,404,403</b>	<b>3,227,130</b>	<b>1,747,263</b>
<b>Operating income (loss)</b>	<b>55,615</b>	<b>1,761,393</b>	<b>180,115</b>
<b>Nonoperating Income (loss):</b>			
Intergovernmental	-	-	11,904
Rental income	-	15,790	-
Investment earnings	27,558	46,179	10,792
Interest expense	-	-	(35,760)
<b>Total nonoperating income (loss)</b>	<b>27,558</b>	<b>61,969</b>	<b>(13,064)</b>
<b>Net income (loss) before transfers</b>	<b>83,173</b>	<b>1,823,362</b>	<b>167,051</b>
<b>Transfers:</b>			
Transfers in	-	-	-
Transfers out	(358,518)	(269,072)	(300,236)
<b>Total transfers</b>	<b>(358,518)</b>	<b>(269,072)</b>	<b>(300,236)</b>
<b>Changes in net position</b>	<b>(275,345)</b>	<b>1,554,290</b>	<b>(133,185)</b>
<b>Net Position:</b>			
Beginning of the year, as restated (Note 14)	10,573,346	13,778,615	(371,454)
End of the year	<u>\$ 10,298,001</u>	<u>\$ 15,332,905</u>	<u>\$ (504,639)</u>



**City of Morro Bay**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2016**

	Business-Type Activities		
	Water Operating Fund	Sewer Fund	Harbor Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from services provided	\$ 4,297,402	\$ 4,894,419	\$ 1,893,525
Cash paid to suppliers for goods and services	(2,483,028)	(1,866,178)	(586,855)
Cash paid to employees	(694,694)	(558,930)	(1,035,303)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>1,119,680</u>	<u>2,469,311</u>	<u>271,367</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Transfers in (out)	(358,518)	(269,072)	(300,236)
Intergovernmental	20,037	37,620	130,782
<b>Net Cash Provided by (Used in) Noncapital Financing Activities</b>	<u>(338,481)</u>	<u>(231,452)</u>	<u>(169,454)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Payment on long-term debt	-	-	(99,098)
Interest paid	-	-	(35,760)
Proceeds from sale of capital assets	11,771	324	-
Acquisition of capital assets	(22,681)	(1,801,253)	-
<b>Net Cash (Used In) Capital and Related Financing Activities</b>	<u>(10,910)</u>	<u>(1,800,929)</u>	<u>(134,858)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received	27,558	69,697	10,790
<b>Net Cash Provided by Investing Activities</b>	<u>27,558</u>	<u>69,697</u>	<u>10,790</u>
<b>Net Increase (Decrease) In Cash and Cash Equivalents</b>	797,847	506,627	(22,155)
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of Year	2,411,466	4,564,661	507,112
End of Year	<u>\$ 3,209,313</u>	<u>\$ 5,071,288</u>	<u>\$ 484,957</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>			
Operating Income (loss)	\$ 55,615	\$ 1,761,393	\$ 180,115
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	268,052	490,316	167,591
Changes in assets and liabilities:			
(Increase)/decrease in accounts receivables	(161,872)	(94,104)	47,099
(Increase)/decrease in other receivables	(744)	-	-
(Increase)/decrease in prepaid items	880,977	(1,640)	(1,301)
(Increase)/decrease in deferred outflows of resources related to pension	(28,166)	(87,044)	(93,984)
Increase/(decrease) in accounts payable	62,934	278,732	18,092
Increase/(decrease) in accrued payroll and benefits	5,029	7,124	14,124
Increase/(decrease) in deposits payable	3,000	-	(1,738)
Increase/(decrease) in unearned revenue	-	-	(80,952)
Increase/(decrease) in compensated absences	3,770	18,800	10,996
Increase/(decrease) in claims payable	-	-	-
Increase/(decrease) in net pension liabilities	156,973	467,350	195,138
Increase/(decrease) in deferred inflows of resources related to pension	(125,888)	(371,616)	(183,813)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>\$ 1,119,680</u>	<u>\$ 2,469,311</u>	<u>\$ 271,367</u>

**City of Morro Bay**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2016**

**Note 3 – Interfund Transactions**

**Due From/To Other Funds** – At June 30, 2016, the City had the following due from/to other funds:

Due To Other Funds	Due From Other Funds			Total
	General Fund	Capital Improvement Fund	Harbor Fund	
Governmental Funds:				
General Fund	\$ -	\$ 226,776	\$ 96	\$ 226,872
Nonmajor Funds	68,589	-	-	68,589
<b>Total</b>	<u>\$ 68,589</u>	<u>\$ 226,776</u>	<u>\$ 96</u>	<u>\$ 295,461</u>

The above amount resulted from the time lag between the dates that reimbursable expenditures occur and payments are received from other agencies.

**Transfers**

For the year ended June 30, 2016, the City had the following transfers:

Transfers out	Transfers in				Total
	General Fund	Capital Improvement fund	Nonmajor Governmental Funds	Internal Service Funds	
Governmental Funds:					
General Fund	\$ -	\$ 461,095	\$ 43,800	\$ 319,489	\$ 824,384
Capital Improvement Fund	417,144	-	3,749	-	420,893
Nonmajor Funds	491,890	185,880	-	-	677,770
Enterprise Funds:					
Water Fund	281,058	73,960	-	3,500	358,518
Sewer Fund	167,512	97,560	-	4,000	269,072
Harbor Fund	281,986	16,250	-	2,000	300,236
Local Transportation Fund	79,775	-	-	-	79,775
<b>Total</b>	<u>\$ 1,719,365</u>	<u>\$ 834,745</u>	<u>\$ 47,549</u>	<u>\$ 328,989</u>	<u>\$ 2,930,648</u>

In general, transfers are used to 1) use unrestricted revenues collected in one fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and 2) to reimburse the General Fund for administration services provided to other funds.