

CITY OF TORRANCE MUNICIPAL AIRPORT FUND
(An Enterprise Fund of the City of Torrance, California)

Basic Financial Statements

Year ended June 30, 2015

(With Independent Auditor's Report Thereon)

CITY OF TORRANCE MUNICIPAL AIRPORT FUND
(An Enterprise Fund of the City of Torrance, California)

Basic Financial Statements

Year ended June 30, 2015

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Independent Auditor's Report

City Council
City of Torrance
Torrance, California

Report on the Financial Statements

We have audited the accompanying financial statements of the City of Torrance Municipal Airport Fund (an Enterprise Fund of the City of Torrance, California), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City of Torrance Municipal Airport Fund's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness

of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of Torrance Municipal Airport Fund, as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior-Year Comparative Information

The financial statements of the City of Torrance Municipal Airport Fund for the fiscal year ended June 30, 2014 were audited by other auditors whose report dated December 19, 2014 expressed an unmodified opinion on those statements. That report included an emphasis of matter paragraph indicating that the financial statements of the City of Torrance Municipal Airport Fund do not purport to, and do not, present fairly the financial position, change in financial position and cash flows of the City as of and for the year ended June 30, 2014, in accordance with accounting principles generally accepted in the United States of America. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Emphasis of Matters

The financial statements for the year ended June 30, 2015, reflect a prior period adjustment for the implementation of Governmental Accounting Standards Board (GASB) Statement No. 68 as described further in note 10 to the financial statements. Our opinion is not modified with respect to this matter.

As discussed in note 1, the accompanying financial statements present only the financial statements of the Municipal Airport Fund and do not purport to, and do not, present fairly the financial position of the City of Torrance, California, as of June 30, 2015, and the changes in its financial position, for the period ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

City Council
City of Torrance
Torrance, California

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2015 on our consideration of the City of Torrance's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Torrance's internal control over financial reporting and compliance.

Dominic J. Lee

Irvine, California
December 18, 2015

CITY OF TORRANCE MUNICIPAL AIRPORT FUND
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Statement of Net Position

June 30, 2015

(with comparative totals for prior year)

Assets and Deferred Outflows of Resources	2015	2014
Current assets:		
Pooled cash and investments (note 2)	\$ 6,543,260	\$ 6,673,094
Accounts receivable	497,338	336,030
Accrued interest receivable	20,442	21,018
Total current assets	7,061,040	7,030,142
Noncurrent assets:		
Capital assets, net (note 3)	6,832,971	6,264,758
Total noncurrent assets	6,832,971	6,264,758
Deferred outflows of resources:		
Pension contributions (note 6)	82,091	—
Total assets and deferred outflows of resources	13,976,102	13,294,900
Liabilities and Deferred Inflows of Resources		
Current liabilities:		
Accounts payable	48,746	33,774
Deposits payable	44,449	44,909
Accrued liabilities	112,919	119,785
Unearned revenues (note 8)	188,465	169,641
Total current liabilities	394,579	368,109
Long-term liabilities:		
Net pension liabilities (note 6)	736,395	—
Total long-term liabilities	736,395	—
Deferred inflows of resources:		
Pension actuarial (note 6)	288,279	—
Total liabilities and deferred inflows of resources	1,419,253	368,109
Net Position		
Investment in capital assets	6,832,971	6,264,758
Unrestricted	5,723,878	6,662,033
Total net position	\$ 12,556,849	\$ 12,926,791

See accompanying notes to the basic financial statements.

CITY OF TORRANCE MUNICIPAL AIRPORT FUND
(An Enterprise Fund of the City of Torrance, California)

Statement of Revenues, Expenses and Changes in Net Position

Year ended June 30, 2015

(with comparative totals for prior year)

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Charges for services	\$ 12,432,474	\$ 12,165,909
Total operating revenues	<u>12,432,474</u>	<u>12,165,909</u>
Operating expenses:		
Salaries and employee benefits	1,473,820	1,490,484
Services and supplies	326,304	322,390
Other professional services	484,838	455,562
Depreciation and amortization	330,240	355,789
Insurance and claims (note 7)	24,307	15,442
City charges (note 9)	579,457	2,740,330
Other	60,698	99,637
Total operating expenses	<u>3,279,664</u>	<u>5,479,634</u>
Operating income	<u>9,152,810</u>	<u>6,686,275</u>
Nonoperating revenues (expenses):		
Interest income	<u>56,771</u>	<u>101,658</u>
Total nonoperating income	<u>56,771</u>	<u>101,658</u>
Income before transfers to the City of Torrance	9,209,581	6,787,933
Transfers to the City of Torrance (note 9)	<u>(8,605,117)</u>	<u>(6,730,455)</u>
Change in net position	604,464	57,478
Total net position – July 1, beginning of year	12,926,791	12,869,313
Prior period adjustment (note 10)	<u>(974,406)</u>	<u>—</u>
Total net position – June 30, end of year	<u>\$ 12,556,849</u>	<u>\$ 12,926,791</u>

See accompanying notes to the basic financial statements.

CITY OF TORRANCE MUNICIPAL AIRPORT FUND
(An Enterprise Fund of the City of Torrance, California)

Statement of Cash Flows

Year ended June 30, 2015

(with comparative totals for prior year)

	2015	2014
Cash flow from operating activities:		
Receipts from customers	\$ 12,289,530	\$ 11,990,282
Cash payments to suppliers for goods and services	(1,484,392)	(3,629,578)
Cash payments to employees for services	(1,512,128)	(1,501,072)
Net cash provided by operating activities	9,293,010	6,859,632
Cash flows from noncapital financing activities:		
Cash paid to the City of Torrance	(8,583,699)	(6,680,255)
Net cash used in noncapital financing activities	(8,583,699)	(6,680,255)
Cash flows from capital financing activities:		
Cash paid to purchase/construct capital assets	(875,074)	(25,704)
Cash paid to the City of Torrance	(21,418)	(50,200)
Net cash used in capital financing activities	(896,492)	(75,904)
Cash flows from investing activities:		
Cash received from interest on investments	57,347	107,003
Net increase in cash and cash equivalents	(129,834)	210,476
Cash and cash equivalent - July 1, beginning of year	6,673,094	6,462,618
Cash and cash equivalents - June 30, end of year	\$ 6,543,260	\$ 6,673,094
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 9,152,810	\$ 6,686,275
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	330,240	355,789
Change in assets and liabilities:		
Accounts receivable	(161,308)	(81,501)
Prepays	—	1,806
Accounts payable	(8,407)	1,977
Accrued salaries and benefits	(6,485)	(10,588)
Other accrued liabilities	(381)	—
Deposits	(460)	1,506
Pension contributions	(82,091)	—
Net pension liability	(238,011)	—
Pension actuarial	288,279	—
Unearned revenues	18,824	(95,632)
Net cash provided by operating activities	\$ 9,293,010	\$ 6,859,632

Noncash capital, financing and investing activities:

There were no significant noncash, noncapital and capital related funding for the year ended June 30, 2015.

See accompanying notes to the basic financial statements.

CITY OF TORRANCE MUNICIPAL AIRPORT FUND

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Notes to the Basic Financial Statements

Year ended June 30, 2015

(1) Summary of Significant Accounting Policies

(a) Reporting Entity

The Torrance Municipal Airport Fund (the Airport) is an Enterprise Fund of the City of Torrance, California (the City), and was created in 1957 by Article 15, Section 1500 of the City Charter. The Airport operates as a general aviation airport and, for a fee, provides users with runway and aircraft storage facilities. The Airport also leases the surrounding land to commercial enterprises.

Airport operations constitute part of the overall financial reporting entity of the City and have been included as an Enterprise Fund in the City's Comprehensive Annual Financial Report consistent with accounting principles generally accepted in the United States of America.

(b) Basis of Accounting

The Airport is reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses result from providing services in connection with the Airport's principal ongoing operations. The principal operating revenues of the Airport are through various leases of certain Airport property and facilities. Operating expenses for the Airport include the cost of operations of the facilities, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(c) Cash and Investments

For purposes of reporting cash flows, cash and cash equivalents include cash on hand and investments purchased with a maturity within 90 days.

(d) Capital Assets

The Airport's assets are capitalized at historical costs or estimated historical costs. Airport policy has set the capitalization threshold for reporting capital assets at \$5,000. Gifts or contributions of capital assets are recorded at fair market value when received. Depreciation is recorded on a straight-line basis over the useful life of the assets as follows:

Land improvements	40 years
Buildings and improvements	40 years
Utility systems	40 years
Furniture and equipment	5 to 7 years
Leasehold improvements	Remaining useful lives

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Notes to the Basic Financial Statements

(1) *SSAP, (Continued)*

(e) *Deferred Outflows and Deferred Inflows of Resources*

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenditure) until then. The Airport Fund reports as deferred outflows the reclassification of current fiscal year contributions made to CalPERS and PARS since they were made subsequent to the measurement date used for the calculation of the net pension liability.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Airport Fund reports as deferred inflows the net difference between the projected and actual earnings on the pension plans investments as determined by CalPERS and the PARS plan actuary in accordance with the application of GASB 68.

(f) *Pension Plans*

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government of the City of Torrance's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Governmental Accounting Standards Board Statement 68 (GASB 68) requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation date (VD)	June 30, 2013
Measurement date (MD)	June 30, 2014
Measurement period (MP)	July 1, 2013 to June 30, 2014

(g) *Vacation and Sick Leave*

It is the policy of the Airport to record the costs of vested vacation and sick leave as earned. This amount is included as a liability in the statement of net position.

(h) *Claims and Judgments*

The Airport is self-insured for state unemployment insurance, general liability claims, long-term disability, and individual workers' compensation claims of Airport employees up to certain limits. The City has established risk financing Internal Service Funds where assets are set aside for claims

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settlements. The unpaid claims liabilities are included in the City's Self-Insurance Internal Service Fund.

(i) *Use of Estimates*

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(j) *Comparative data*

The Airport Fund Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows show data for the fiscal year ended June 30, 2014 for comparative purposes only.

(2) **Pooled Cash and Investments**

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of net position:

Pooled cash and investments	<u>\$6,543,260</u>
Total cash and investments	<u>\$6,543,260</u>

Cash and investments as of June 30, 2015 consist of the following:

Equity in City investment pool	<u>\$6,543,260</u>
Total cash and investments	<u>\$6,543,260</u>

Equity in the Cash and Investment Pool of the City of Torrance

The Airport has no separate bank accounts or investments other than the Airport's equity in the cash and investment pool managed by the City. The Airport is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council. The Airport has not adopted an investment policy separate from that of the City. The fair value of the Airport's investments in this pool is reported in the accompanying financial statements at amounts based upon the Airport's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Airport manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows

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from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow liquidity needed for operations.

Information about the Airport's exposure to interest rate risk as a result of equity in the cash and investment pool of the City is provided by disclosures in the notes to the basic financial statements of the City that shows the distribution of the City's investments by maturity.

(3) Capital Assets

Capital assets, which include land, buildings, utility systems, equipment, and leasehold improvements, consist of the following at June 30, 2015:

	Balance June 30, 2014	Additions	Deletions	Balance June 30, 2015
Nondepreciable:				
Land	\$ 1,984,114	\$ —	\$ —	\$ 1,984,114
Construction in progress	1,037,305	898,453	—	1,935,758
Total nondepreciable assets	<u>3,021,419</u>	<u>898,453</u>	<u>—</u>	<u>3,919,872</u>
Depreciable:				
Land improvements	5,926,143	—	—	5,926,143
Utility plant and services	1,278,905	—	—	1,278,905
Buildings and improvements	2,668,296	—	—	2,668,296
Furniture and equipment	1,917,314	—	—	1,917,314
Total depreciable assets	<u>11,790,658</u>	<u>—</u>	<u>—</u>	<u>11,790,658</u>
Less accumulated depreciation for:				
Land improvements	(4,676,557)	(83,818)	—	(4,760,375)
Utility plant and services	(884,480)	(20,997)	—	(905,477)
Buildings and improvements	(1,613,251)	(65,799)	—	(1,679,050)
Furniture and equipment	(1,373,031)	(159,626)	—	(1,532,657)
Total accumulated depreciation	<u>(8,547,319)</u>	<u>(330,240)</u>	<u>—</u>	<u>(8,877,559)</u>
Total capital assets being depreciated	<u>3,243,339</u>	<u>(330,240)</u>	<u>—</u>	<u>2,913,099</u>
Capital assets, net	<u>\$ 6,264,758</u>	<u>\$ 568,213</u>	<u>\$ —</u>	<u>\$ 6,832,971</u>

(4) Accrued Liabilities

Accrued liabilities include compensated absences and it is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay is accrued when incurred in the Airport basic financial statements. As of June 30, 2015 the compensated absences portion of accrued liabilities was \$85,152.

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(5) Employee Benefits

The City has an approved deferred compensation plan under which employees may elect to defer a portion of their annual compensation by direct deposit to the plan. Subject to Internal Revenue Service regulations, such compensation is not subject to income taxes to the employee until withdrawal at time of retirement, termination or on an extended basis at the election of the employee under certain options of the plan.

Federal legislation, approved a number of years ago, requires that Section 457 plan assets be held in trust for employees. As of January 1, 1999, the City implemented this requirement by transferring all Section 457 plan assets to a trustee. As such, Section 457 plan assets are no longer legally the property of the City and are no longer subject to claims of the City's general creditors.

(6) Pension Plans

Plan Descriptions

CalPERS: Full-time Airport employees are eligible to participate in the Local Government's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan are established by State statute and Local Government resolution. Contributions are made by both the Airport and its employees. The Airport's contribution represents a pro rata share of the City's contribution, which is based on the system's determination each fiscal year.

PARS: Pursuant to a Plan Document dated January 25, 2004, the City provides an enhanced retirement benefit to Airport employees who are members of the Torrance Professional and Supervisory Association (TPSA), the Engineer Bargaining Unit, the Fiscal Bargaining Unit and certain Information Technology Specialists who migrated to the TPSA on October 19, 2004. This Plan is administered for the City of Torrance through a third party administrator, PARS. This benefit takes the form of a single employer defined benefit pension plan. The authority to establish and amend the funding policy is the City Council. Currently it is the City's policy to annually fund an amount budgeted to approximate the required annual contribution for that fiscal year. The Airport's contribution represents a pro rata share of the City's contribution.

PARS benefits are available to members that retire from the City at an age of 55 or greater and with five or more years of City service specific to the eligible bargaining unit, as identified above. New hires after December 31, 2012 are not eligible for this benefit.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

CalPERS: As of the start of the measurement period (July 1, 2013), the net pension liability for the Airport is \$1,038,300 under the Plan.

For the measurement period ending June 30, 2014 (the measurement date), the Airport incurred a pension expense of \$48,829 for the Plan.

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Notes to the Basic Financial Statements

As of June 30, 2014, the Airport has deferred outflows and deferred inflows of resources related to the Plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 80,744	\$ 0
Differences between Expected and Actual Experience	0	0
Changes of Assumptions	0	0
Net Difference between Projected and Actual Earnings on Pension Plan Investments	0	(287,802)
Total	\$ 80,744	\$ (287,802)

The amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense.

Deferred outflows of resources related to employer contributions subsequent to the measurement date in the amount of \$80,744 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2015	\$ (71,950)
2016	(71,951)
2017	(71,950)
2018	(71,951)
2019	0
Thereafter	0

PARS: As of the start of the measurement period (July 1, 2013), the net pension liability for the Airport is \$15,381 under the Plan.

For the measurement period ending June 30, 2014 (the measurement date), the Airport incurred a pension expense of \$1,439 for the Plan.

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As of June 30, 2014, the Airport has deferred outflows and deferred inflows of resources related to the Plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 0	\$ 0
Changes of assumptions	0	0
Net difference between projected and actual earnings on plan investments	0	(477)
Employer contributions made subsequent to the measurement date	1,347	0
Total	\$ 1,347	\$ (477)

As of June 30, 2015, deferred outflows of resources related to employer contributions subsequent to the measurement date in the amount of \$1,347 will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2015	\$ (119)
2016	(119)
2017	(119)
2018	(120)
2019	0
Thereafter	0

CalPERS and PARS do not provide information to participating organizations in such a manner as to facilitate separate disclosure for the Airport of all actuarially computed data. Additional information regarding the City's participation in CalPERS and PARS can be found in the City's Comprehensive Annual Financial Report.

(7) Risk Management

The City purchases first dollar airport owners and operators general liability insurance with limits of \$20,000,000 per occurrence. Airport motor vehicles are covered under the City's self-insurance program. Airport employees are also covered under the City's self-insured workers' compensation program for risks up to \$2,000,000 per occurrence. Excess coverage is in place for amounts above the \$2,000,000 self-insured retention up to State of California statutory limits. Information concerning the City's self-insurance program can be found in the City's Comprehensive Annual Financial Report for the year ended June 30, 2015.

Insurance expense amounted to \$24,307 for the year ended June 30, 2015.

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Notes to the Basic Financial Statements

(8) Unearned Revenues

The Airport rents received in June for July will be recognized in July. The amount of unearned revenues to the Airport for the year ended June 30, 2015 was \$188,465

(9) Transactions with Related Parties

The City allocates certain administrative and overhead costs to the Airport based on a formal indirect cost allocation plan approved by the City's cognizant federal agency. The charge is based upon a fixed rate applied to the Airport's direct salaries and wages; such charges amounted to \$327,168 for the year ended June 30, 2015. Other flat rate charges total \$108,424 for the year ended June 30, 2015.

As part of its annual budget process, the City determines the amount that the Airport Fund is to transfer to the City to fund a portion of the City's annual debt service. The amount of this transfer is at the discretion of the City. For the year ended June 30, 2015, the amount of this transfer was \$143,865.

In fiscal year ended June 30, 2015, the following activities took place for transfers out to the City:

- Transfers to the General Fund in the amount of \$9,866 for equipment replacement;
- Transfers to the General Fund in the amount of \$21,418 for interest on debt service;
- Transfers to the General Fund in the amount of \$8,541,578 to fund general fund operations;
- Transfers to the Street Lighting Fund in the amount of \$25,763 for Airport's portion of the street light assessment;
- Transfers to the Sanitation Fund in the amount of \$6,492 for Airport's portion of refuse hauling costs.

(10) Prior Period Adjustment

During the year ended June 30, 2015, the Airport adjusted its beginning net position. This was done to give retroactive effect to the implementation of GASB Statement No. 68 Accounting and Financial Reporting for Pensions. The effect of these adjustments on the total amount of net position as of the beginning of the year are indicated below.

Net position for the Municipal Airport Fund, beginning	\$12,926,791
Adjustment to net pension liability:	
CalPERS	(960,327)
PARS	<u>(14,079)</u>
Net position for the Municipal Airport Fund, beginning, as restated	<u>\$11,952,385</u>