

DUE DECEMBER 31 Pursuant to Public Resources Code § 6306

Fiscal/Calendar Year: 2019

Grantee Name: City of Santa Cruz

Contact Person: Michael Manno, Accountant II, mmanno@cityofsantacruz.com

Mailing Address: 877 Cedar Street, Suite 100, Santa Cruz, CA 95060

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).

Municipal Wharf

If "No", under what fund are they accounted for?

N/A

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

YES NO

If "Yes," describe the organization of the separate financial statement.

N/A

If "No," in which financial statements are they included? (Name of the document(s) and the applicable page number(s)).

CAFR. The Governmental Fund Financial Statements, as part of the General Fund: (1) Balance Sheet-Governmental Funds, p. 32, PDF p. 52 and (2) Statement of Revenues, Expenditures and Changes in Fund Balance-Governmental Funds, p. 34, PDF p. 54.

2. Revenue

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

\$3,013,241

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

Special Events \$3,997; Marine Rescue Program \$107,662; Municipal Wharf \$1,607,016; Wharf Gate Operations \$1,150,877; Capital Improvement Projects \$143,689.

3. Expenses

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

\$3,970,414

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

Special Events \$32,941; Marine Rescue Program \$1,021,096; Municipal Wharf \$2,292,218; Wharf Gate Operations \$602,965; Capital Improvement Projects \$21,194.

- 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?

Q1. No. Q2. No.

- 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.

N/A

4. Beginning and Ending Balance

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

Beginning and Ending Balances: \$0.

City of Santa Cruz
Statement of Revenues and Expenses
Municipal Wharf
Fiscal Year Ended June 30, 2019

	FY 2019 Amended Budget	FY 2019 Actual	Budget to Actual Variance
REVENUES			
Special Events			
Aloha Races	-	3,997	(3,997)
<i>Total Special Events Revenues</i>	-	3,997	(3,997)
Marine Rescue Program (2204)			
Charges for Services	150,000	107,662	42,338
<i>Total Marine Rescue Program Revenues</i>	150,000	107,662	42,338
Municipal Wharf (3211)			
Charges for Services	500	1,981	(1,481)
Miscellaneous Revenues	1,300,000	1,605,034	(305,034)
<i>Total Municipal Wharf Revenues</i>	1,300,500	1,607,016	(306,516)
Wharf Gate Operations (4226)			
Charges for Services	1,200,000	1,082,481	117,519
Miscellaneous Revenues	50,000	68,396	(18,396)
<i>Total Wharf Gate Operations Revenues</i>	1,250,000	1,150,877	99,123
Capital Improvement Projects Revenues			
Wharf and Beachfront Restroom Upgrades	-	-	-
17D Municipal Wharf	-	5,803	(5,803)
57 Municipal Wharf	-	(785)	785
15 Municipal Wharf	-	4,507	(4,507)
47 Municipal Wharf	-	1,335	(1,335)
17A Municipal Wharf	-	4,553	(4,553)
25 Municipal Wharf	-	58,910	(58,910)
49B Municipal Wharf	-	6,823	(6,823)
17B/C Municipal What	-	3,986	(3,986)
17E Municipal Wharf	-	5,072	(5,072)
49A Municipal Wharf	-	(6,706)	6,706
2 Municipal Wharf	-	1,436	(1,436)
59 Municipal Wharf	-	52,587	(52,587)
55A Municipal Wharf	-	6,168	(6,168)
<i>Total Capital Improvements Projects Revenues</i>	-	143,689	(143,689)
TOTAL REVENUES	2,700,500	3,013,241	(312,741)
EXPENDITURES			
Special Events			
Aloha Races	-	11,028	(11,028)
Halloween on the S.C. Wharf	-	5,096	(5,096)
Woodies on the Wharf	-	16,817	(16,817)
<i>Total Special Events Expenditures</i>	-	32,941	(32,941)
Marine Rescue Program ¹ (2204)			
Personnel Services	735,361	828,622	(93,261)
Services	95,443	109,282	(13,839)
Supplies	22,900	24,160	(1,260)
Other Materials and Services	17,627	31,160	(13,533)
Capital Outlay	27,873	27,872	1
<i>Total Marine Rescue Program Expenditures</i>	899,204	1,021,096	(121,892)
Municipal Wharf (3211)			
Personnel Services	1,496,834	1,390,217	106,617
Services	625,769	654,891	(29,123)
Supplies	200,030	202,706	(2,676)
Other Materials and Services	190,554	31,165	159,389
Capital Outlay	-	13,239	(13,239)
<i>Total Municipal Wharf Expenditures</i>	2,513,187	2,292,218	220,969
Wharf Gate Operations (4226)			
Personnel Services	571,458	519,987	51,471
Services	68,832	72,602	(3,770)
Supplies	16,100	10,225	5,875
Other Materials and Services	400	152	248
<i>Total Wharf Gate Operations Expenditures</i>	656,790	602,965	53,825
Capital Improvement Projects Expenditures			
Wharf and Beachfront Restroom Upgrades	12,999	-	12,999
17D Municipal Wharf	36,857	-	36,857
57 Municipal Wharf	28,064	-	28,064
15 Municipal Wharf	13,427	-	13,427
47 Municipal Wharf	15,289	-	15,289
17A Municipal Wharf	27,794	-	27,794
25 Municipal Wharf	118,650	-	118,650
49B Municipal Wharf	73,918	8,594	65,324
17B/C Municipal Wharf	13,860	-	13,860
17E Municipal Wharf	3,961	-	3,961
49A Municipal Wharf	14,933	-	14,933
2 Municipal Wharf	3,049	-	3,049
59 Municipal Wharf	38,483	12,600	25,883
55A Municipal Wharf	3,066	-	3,066
<i>Total Capital Improvement Projects Expenditures</i>	404,350	21,194	383,156
TOTAL EXPENDITURES	4,473,531	3,970,414	503,117
<NET COST>	(1,773,031)	(957,173)	(815,858)

Note(s):

¹ Includes some lifeguards expenses on State beaches.



City of Santa Cruz

The City of Santa Cruz's Trust Land includes a portion of Monterey Bay that is bound by a direct line from Lighthouse Point, to the western edge of the San Lorenzo River, north to the mean tide line along the shore connecting the two points. The beach area covered is considered to be the areas of sand immediately adjacent to bay waters from the San Lorenzo River / Railroad Trestle to the western portion of Cowell Beach. This area includes unimproved beaches adjacent to the Seaside Company's Santa Cruz Beach Boardwalk, the Wharf, and the Dream Inn Hotel. The beach east, or down coast, of the Municipal Wharf is commonly referred to as the Main Beach. The beach west of the Wharf is named Cowell Beach. This sandy beach area is approximately one mile in length and varies seasonally in width, to as little as 200 feet wide in some areas during the winter months. The sandy beach areas sustain heavy recreational use. The area is entirely open to the general public, with multiple pedestrian vertical access ways and lateral access the full length. There are limited restrictions on hours of use. The Trust Lands continue west to Natural Bridges State Park. Lighthouse State Beach and the eastern portion of its beach are under the jurisdiction of the State, with only the western half of its beach under the jurisdiction of the City of Santa Cruz. The remainder of the Trust Lands to the west consists of coastal bluffs and cliffs. Portions of these lands have been armored to protect the shoreline.

Two City government offices are located on the Wharf: the Lifeguard Headquarters (Fire Department) and the Wharf Headquarters (Parks and Recreation Department). The City of Santa Cruz also maintains three restroom facilities on the Wharf. The following businesses are currently located on the Wharf:

<u>Business Name</u>	<u>Business Type</u>
Dolphin	Dining
Firefish Grill	Dining
Gilda's	Dining
Olitas	Dining
Riva Fish House	Dining
SPLASH!	Dining
Stagnaro Bros.	Dining
Vino Prima Wine Bar	Dining
Woodies Café	Dining
Marini's Munchies & Candies	Dining
Paradise Dogs	Dining
Pacific Coast Kites	Adventure and Sports
Santa Cruz Boat Rental	Adventure and Sports
Venture Quest Kayak Rentals	Adventure and Sports
Bonnie's Gifts	Gifts, Apparel, and Accessories
Made in Santa Cruz	Gifts, Apparel, and Accessories
Marini's	Gifts, Apparel, and Accessories
Noland's Clothing & Gift Co.	Gifts, Apparel, and Accessories
Ports of Call	Gifts, Apparel, and Accessories
Santa Cruz Bay Company	Gifts, Apparel, and Accessories
Sockshop Santa Cruz	Gifts, Apparel, and Accessories
Surf City Santa Cruz	Gifts, Apparel, and Accessories
Surf Life	Gifts, Apparel, and Accessories
Woodies Hoodies	Gifts, Apparel, and Accessories

City of Santa Cruz

Balance Sheet Governmental Funds June 30, 2019

	Major Funds			Other	Total
	General	RDA Successor	General Capital	Governmental	Governmental
	Fund	Agency - LMIH	Improvement	Funds	Funds
Assets:					
Cash and investments	\$ 12,737,079	\$ 1,357,347	\$ 6,166,204	\$ 17,264,727	\$ 37,525,357
Restricted cash and investments	10,950,184	-	-	-	10,950,184
Interest receivable	73,223	5,707	52,010	912,674	1,043,614
Taxes receivable	8,467,052	-	500,000	171,521	9,138,573
Accounts receivable - net	2,367,180	3,750	46,292	178,742	2,595,964
Grants receivable	-	-	1,261,034	-	1,261,034
Intergovernmental receivable	165,850	-	-	334,377	500,227
Due from other funds	175,005	-	-	-	175,005
Prepaid items	1,139	-	-	940	2,079
Deposits	82,646	-	-	-	82,646
Notes receivable - net	3,200,573	11,297,699	-	75,000	14,573,272
Loans receivable - net	-	-	-	2,580,639	2,580,639
Advances to other funds	2,586,450	500,000	-	-	3,086,450
Total assets	<u>\$ 40,806,381</u>	<u>\$ 13,164,503</u>	<u>\$ 8,025,540</u>	<u>\$ 21,518,620</u>	<u>\$ 83,515,044</u>
Liabilities, deferred inflows of resources and fund balances					
Liabilities:					
Accounts payable and other current liabilities	\$ 2,966,750	\$ 238	\$ 3,927,088	\$ 388,139	\$ 7,282,215
Unearned revenue	-	-	-	189,869	189,869
Deposits payable	520,157	30,875	-	34	551,066
Advances from other funds	4,844,531	-	5,509,686	576,764	10,930,981
Total liabilities	<u>8,331,438</u>	<u>31,113</u>	<u>9,436,774</u>	<u>1,154,806</u>	<u>18,954,131</u>
Deferred inflows of resources:					
Unavailable revenue	<u>584,825</u>	<u>1,108,020</u>	<u>1,152,884</u>	<u>1,076,793</u>	<u>3,922,522</u>
Fund Balances:					
Non-spendable:					
Noncurrent receivables	3,200,573	-	-	-	3,200,573
Interfund advances	2,586,450	-	-	-	2,586,450
Prepaid items	1,139	-	-	940	2,079
Restricted:					
Clean rivers, oceans, and beaches	-	-	-	1,524,375	1,524,375
Debt service	-	-	-	1,729,413	1,729,413
Hardship grants	265,410	-	-	-	265,410
Housing programs	-	12,025,370	-	6,007,398	18,032,768
Parks and recreation	-	-	-	1,717,380	1,717,380
Police programs	-	-	-	543,025	543,025
Streets and roads	-	-	-	3,480,014	3,480,014
Traffic impact	-	-	-	4,284,476	4,284,476
Retiree benefits	10,950,184	-	-	-	10,950,184
Committed	4,082,699	-	-	-	4,082,699
Assigned	3,603,735	-	-	-	3,603,735
Unassigned	7,199,928	-	(2,564,118)	-	4,635,810
Total fund balances (Deficit)	<u>31,890,118</u>	<u>12,025,370</u>	<u>(2,564,118)</u>	<u>19,287,021</u>	<u>60,638,391</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 40,806,381</u>	<u>\$ 13,164,503</u>	<u>\$ 8,025,540</u>	<u>\$ 21,518,620</u>	<u>\$ 83,515,044</u>

The accompanying notes are an integral part of these financial statements

City of Santa Cruz

Statement of Revenues, Expenditures and Changes in Fund Balances Governmental Funds For the year ended June 30, 2019

	Major Funds			Other	Total
	General Fund	RDA Successor Agency - LMIH	General Capital Improvement	Governmental Funds	Governmental Funds
Revenues:					
Taxes	\$ 77,141,459	\$ -	\$ 1,651,619	\$ 1,597,589	\$ 80,390,667
Licenses and permits	1,617,733	-	-	-	1,617,733
Intergovernmental	589,336	-	1,514,333	6,681,775	8,785,444
Charges for services	19,152,126	32,500	-	36,786	19,221,412
Fines and forfeitures	1,750,058	-	-	2,944	1,753,002
Use of money and property	7,270,160	557,407	232,676	802,774	8,863,017
Other revenues	680,469	14,310	263,339	2,497,770	3,455,888
Total revenues	108,201,341	604,217	3,661,967	11,619,638	124,087,163
Expenditures:					
Current:					
General government	20,548,575	-	-	-	20,548,575
Public safety	49,974,320	-	-	110,000	50,084,320
Parks and recreation	15,969,852	-	-	-	15,969,852
Library	1,604,751	-	-	-	1,604,751
Public works	6,748,934	-	6,101,866	1,834,889	14,685,689
Transit	-	-	-	798,782	798,782
Community and economic development	2,299,980	50,128	-	437,391	2,787,499
Social services	2,027,873	-	-	-	2,027,873
Capital outlay	268,553	-	3,981,381	1,307,328	5,557,262
Debt service:					
Principal	3,999,086	-	140,000	471,558	4,610,644
Interest and fiscal charges	871,804	-	149,447	405,779	1,427,030
Total expenditures	104,313,728	50,128	10,372,694	5,365,727	120,102,277
Excess (deficiency) of revenues over (under) expenditures	3,887,613	554,089	(6,710,727)	6,253,911	3,984,886
Other financing sources or (uses):					
Sale of capital assets	629,237	-	-	-	629,237
Issuance of long-term debt	-	-	854,614	-	854,614
Transfers in	377,122	-	3,591,108	425,716	4,393,946
Transfers out	(1,212,748)	-	-	(2,813,505)	(4,026,253)
Total other financing sources (uses)	(206,389)	-	4,445,722	(2,387,789)	1,851,544
Net change in fund balances	3,681,224	554,089	(2,265,005)	3,866,122	5,836,430
Fund balances (deficit), beginning of year	28,208,894	11,471,281	(299,113)	15,420,899	54,801,961
Fund balances (deficit), end of year	\$ 31,890,118	\$ 12,025,370	\$ (2,564,118)	\$ 19,287,021	\$ 60,638,391

The accompanying notes are an integral part of these financial statements