

DUE DECEMBER 31 Pursuant to Public Resources Code § 6306

Fiscal/Calendar Year: 2022-2023

Grantee Name: City of Capitola

Contact Person: Luis Ruiz

Mailing Address: 420 Capitola Avenue, Capitola, CA 95010

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).

1311 - Wharf Fund

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)).

Financial transactions for the granted public lands are tracked in the "Wharf Fund" for the City of Capitola. The financial statements for the Wharf Fund are published in the City of Capitola, CA Annual Comprehensive Financial Report (ACFR) (attached and published link below). For the fiscal year ending June 30, 2023, they are shown on pages 86, 87 and 93.
<http://www.cityofcapitola.org/finance/page/comprehensive-annual-financial-reports>

2. Revenue

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

\$72,310

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

Please see attached.

3. Expenses

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

\$61,003

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

Please see attached.

- 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?

The Wharf sustained severe damage during the storms in January 2023. The wharf repair and rehabilitation project began August 2023 and the estimated cost is about \$8,000,000. Construction is estimated to finish in Fall 2024.

- 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 Balance: \$154,886

Ending Balance: \$166,194

Granted Public Trust Lands Standardized Reporting Form

Fiscal Year 2022-23

Grantee Name: City of Capitola
 Contact Person: Luis Ruiz
 Contact Phone: (831) 475-7300 x225
 Mailing Address: 420 Capitola Avenue, Capitola, CA 95010

1. Funds

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

Yes

b. Are separate financial statements prepared for the trust?

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.

Financial transactions for the granted public lands are tracked in the "Wharf Fund" for the City of Capitola. The financial statements for the Wharf Fund are published in the City of Capitola, CA Comprehensive Annual Financial Report (CAFR) (attached and published link below). For the fiscal year ending June 30, 2023, they are shown on pages 86, 87 and 93.

<http://www.cityofcapitola.org/finance/page/comprehensive-annual-financial-reports>

2. Revenue

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

\$ **72,310.48**

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

Rents

Wharf House Restaurant	\$	22,188.15
Capitola Boat & Bait	\$	24,074.82
Total Rent	\$	46,262.97

PG&E Gas and Electric

Wharf House Restaurant	\$	13,466.06
Capitola Boat & Bait	\$	3,554.73
Total Gas & Electric	\$	17,020.79

Sanitation District

Wharf House Restaurant	\$	864.72
Capitola Boat & Bait	\$	444.78
Total Sanitation	\$	1,309.50
	\$	64,593.26

Water rentals

\$ 3,317.29

Investment earnings

\$ 4,399.93

Total Revenue \$ 72,310.48

3. Expenses

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

\$ **61,002.91**

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

Wharf improvement services

Wharf Condition Report-engineering services	\$	964.05
Wharf pilings removal & replacement	\$	-
Total Improvements	\$	964.05

Utilities

PG&E Gas and Electric	\$	21,713.62
Sanitation District	\$	1,533.44
Water	\$	5,372.16
Janitorial services	\$	6,890.96
Meter reader	\$	240.00
Total Utilities	\$	35,750.18

Repairs and Maintenance

Wharf repairs & maintenance	\$	8,440.09
Wharf restaurant repairs	\$	-
Portable toilets, hand wash station	\$	8,034.30
Fire equipment	\$	-
Total Repairs and Maintenance	\$	16,474.39

Supplies

General supplies	\$	7,814.29
Memorial plaque supplies	\$	-
Total Supplies	\$	7,814.29

Total Expenses **\$ 61,002.91**

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?

The Wharf sustained severe damage during the storms in January 2023. The wharf repair and rehabilitation project began August 2023 and the estimated cost is about \$8,000,000. Construction is estimated to finish in Fall 2024.

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.

None

4. Beginning and Ending Balance

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

Beginning Fund Balance - 07/01/2022	\$	154,886.37
Ending Fund Balance - 06/30/2023	\$	166,193.94
2022-23 Revenues less Expenses	\$	11,307.57

December 31, 2023

City of Capitola

Capitola's trust land includes the Capitola Wharf and surrounding unimproved beach area. The Wharf has two commercial businesses operating on it, the Wharf House Restaurant and Capitola Mooring and Marine, which includes a small watercraft rental component. The beach area is a half moon shape area with the Wharf extending from the center and Soquel Creek splitting the beach and feeding into the ocean. The beach is adjacent to cliffs on the southwest side of the wharf and an extension of a flat flood plain on the northeast side. The beach, with its small surf break, is a popular day trip destination for locals and adjacent-county residents, as well as the area's many vacationers. At this time, the City has no plans to change the current use of these lands.

Revenues and expenditures related to Capitola's beachfront public trust land area are separately recorded in the City's Wharf fund. Total gross revenue was \$72,311 for FY 2022-23, with \$22,188 coming from Wharf House Restaurant rent and \$24,075 from Capitola Boat & Bait rent. An additional \$21,648 in revenue is received by the City from these businesses as reimbursement for PG&E, sewer, and water services. \$4,400 was received as investment earnings. Total expenditures for the Wharf Fund were \$61,002 for FY 2022-23. \$964 was spend on Wharf improvement services, \$35,750 was spent on utilities, including gas and electric, sanitation, and water. \$16,474 was for long term wharf upkeep, repairs and maintenance. The remaining \$7,814 was for supplies.

Heavy storms hit Capitola in January 2023 which caused severe damage to the wharf. A section of the Wharf was completely destroyed, cutting off access to the Wharf Restaurant and Boat & Bait shop. The Capitola Wharf Repair and Rehabilitation Project began in August 2023 with costs estimated to be about \$8,000,000. Construction is expected to finish sometime in Fall 2024.

CITY OF CAPITOLA
Non-Major Governmental Funds
Combining Statement of Revenues, Expenditures
and Changes in Fund Balances
Year Ended June 30, 2023

	SPECIAL REVENUE FUNDS		
	SB1 Road Rehab and Maintenance	Supplemental Law Enforcement	Gas Tax
REVENUES			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	218,001	103,114	250,805
Charges for services	-	-	-
Use of money and property	9,378	3,968	5,019
Other revenue	-	-	-
Total Revenues	<u>227,379</u>	<u>107,082</u>	<u>255,824</u>
EXPENDITURES			
Current:			
General government	-	88,140	149,949
Community development	-	-	-
Capital outlay	253,428	21,813	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Total Expenditures	<u>253,428</u>	<u>109,953</u>	<u>149,949</u>
Excess (Deficiency) of Revenues over (Under) Expenditures	<u>(26,049)</u>	<u>(2,871)</u>	<u>105,875</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(26,049)	(2,871)	105,875
Fund Balances, beginning of year	<u>315,199</u>	<u>154,484</u>	<u>150,591</u>
Fund Balances, end of year	<u>\$ 289,150</u>	<u>\$ 151,613</u>	<u>\$ 256,466</u>

SPECIAL REVENUE FUNDS

Wharf	Parking Reserve	Technology Fees	PEG Cable TV Access Fee	Capitola Village and Wharf BIA	CDBG
\$ -	\$ -	\$ -	\$ -	\$ 38,227	\$ -
-	-	-	11,903	-	-
-	-	-	-	-	168,768
-	-	14,659	-	53,384	-
72,309	-	-	1,535	977	-
-	-	-	-	53,201	-
<u>72,309</u>	<u>-</u>	<u>14,659</u>	<u>13,438</u>	<u>145,789</u>	<u>168,768</u>
61,002	-	-	14,777	140,941	220,885
-	-	18,250	-	-	-
-	-	-	17,382	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>61,002</u>	<u>-</u>	<u>18,250</u>	<u>32,159</u>	<u>140,941</u>	<u>220,885</u>
11,307	-	(3,591)	(18,721)	4,848	(52,117)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,307</u>	<u>-</u>	<u>(3,591)</u>	<u>(18,721)</u>	<u>4,848</u>	<u>(52,117)</u>
<u>154,887</u>	<u>737</u>	<u>96,903</u>	<u>63,801</u>	<u>39,395</u>	<u>(18,773)</u>
<u>\$ 166,194</u>	<u>\$ 737</u>	<u>\$ 93,312</u>	<u>\$ 45,080</u>	<u>\$ 44,243</u>	<u>\$ (70,890)</u>

CITY OF CAPITOLA
Wharf Fund
Non-Major Governmental Fund
Budgetary Comparison Schedule
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 27,625	\$ 27,625	\$ 72,309	\$ 44,684
Total revenues	27,625	27,625	72,309	44,684
Expenditures:				
Current:				
General government:	20,431	20,431	61,002	(40,571)
Total expenditures	20,431	20,431	61,002	(40,571)
Net change in fund balance	7,194	7,194	11,307	44,684
Fund balance, beginning of year	154,887	154,887	154,887	-
Fund balance, end of year	<u>\$ 162,081</u>	<u>\$ 162,081</u>	<u>\$ 166,194</u>	<u>\$ 44,684</u>