

DUE DECEMBER 31 Pursuant to Public Resources Code § 6306

Fiscal/Calendar Year:

Grantee Name:

Contact Person:

Mailing Address:

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).

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)).

2. Revenue

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

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

GRANTED PUBLIC TRUST LANDS STANDARDIZED REPORTING FORM

SLC 150 (formerly Form 12.26)

3. Expenses

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

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

- 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?

- 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.

4. Beginning and Ending Balance

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

FY23 Audited Financial Statements

Granted Public Trust Lands Standardized Reporting Form

	FY23	Amount	Notes
Operating revenues:			
Charges for berthing and services	\$ 9,060,941		
Slip Rent Permanent	4,801,809	2,399,731	50% of Slip Rent Permanent less 50% Annual Slip Rent Discount. Approx. 50% of Slips are on Granted Public Lands.
Slip Rent Visitors	295,209		
Annual Slip Rent Discount	(2,347)		
Misc. Tenant Rent (Sewer)	129,494		
Launch Fees	168,895		
Liveaboard	76,716	38,358	Approx. 50% of Slips are on Granted Public Lands
Catamaran Storage	27,833		
North Harbor Dry Storage	197,230		
7th Ave Dry Storage	120,180		
Waiting List	137,650		
Slip Leave Option	4,250		
Partnership Fees	31,939	15,969	Approx. 50% of Slips are on Granted Public Lands
Sublease Fees	45,781	22,890	Approx. 50% of Slips are on Granted Public Lands
Variable/Utility Fees	217,374		
Late Fees	53,633		
Citations	129,802		
Credit Card Convenience Charges	28,980		
Parking - Concession Lot	530,979		
Parking - Launch Area	31,515		
Parking - Southwest	152,070		
Parking - North	32,231		
Parking - Southeast	127,359		
Meter Permits	12,611		
Slip Renter Parking Permits	38,401		
RV Parking	191,596		
Fuel Sales Gasoline	439,488		
Fuel Sales Diesel	584,269		
Fuel Service Call Back Charges	10		
Wash Rack	10,011		

FY23 Audited Financial Statements

Granted Public Trust Lands Standardized Reporting Form

	FY23	Amount	Notes
Boatyard Retail	24,665		
Boatyard Labor	325		
Boatyard Rental	4,565		
Boatyard Misc.	41,125		
Lay Days/Storage	184,673		
Vessel Haulout	147,866		
Vessel Berthing	42,755		
Rent and concessions	<u>2,111,024</u>	<u>10,472</u>	Charter Fees included in Rent and Concession. Five Charter Operators Operate on Granted Lands.
	<u>11,171,964</u>	<u>2,487,421</u>	Gross Revenue Received
*Page 17 of Financial Statements			
Operating expenses:			
Depreciation and amortization	2,184,840		
Dredging operations	1,503,071	27,552	Based on Volumes of Dredged Material, Approx 0% related to Granted Public Lands
Administrative services	902,926		
Grounds	909,106		
Harbor patrol	806,715		
Fuel services	805,610		
Property management	686,549		
Marina management	542,949	271,475	Approx. 50% of Slips are on Granted Public Lands
Parking services	388,936		
Non-cash pension liability			
Buildings	387,540		
Boatyard operations	364,793		
Docks, piers, marine structures	502,201	251,101	Approx. 50% of Slips are on Granted Public Lands
Finance & purchasing	184,083		
Environmental & permitting	145,693	36,423	50% of effort waterside related. Assume 50% waterside effort related to Granted Public Lands = 25%
Rescue services	107,898		
Utilities	103,385		
Non-cash OPEB liability	95,254		

FY23 Audited Financial Statements

Granted Public Trust Lands Standardized Reporting Form

	FY23	Amount	Notes
Port commission support	55,713		
Aeration	37,456	22,474	60% of Aeration effort related to Granted Public Lands
Events	22,570		
Capital projects	36		
Fishery support	12,014		
Tsunami Expense	10,486		
*Page 17 of Financial Statements	<u>10,759,824</u>	<u>609,024</u>	Expenditure of Funds Received from Trust Land
Capital Assets			
Nondepreciable assets:			
Land	2,201,360		
Construction in progress	998,052		
Depreciable assets:			
Structures and improvements	30,720,555		
Docks	27,161,298		
Equipment	11,361,555		
Office equipment	54,374		
*Page 15 of Financial Statements	<u>72,497,194</u>	<u>-</u>	Capital Improvements over \$250,000
		<u>\$ 609,024</u>	Total Expenditure of Funds Received from Trust Land

SANTA CRUZ PORT DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION Year Ended March 31, 2023

Operating revenues:	
Charges for berthing and services	\$ 9,060,943
Rent and concessions	2,111,024
	<u>11,171,967</u>
Operating expenses:	
Depreciation and amortization	2,184,840
Dredging operations	1,503,071
Administrative services	902,926
Grounds	909,106
Harbor patrol	806,715
Fuel services	805,610
Property management	686,549
Marina management	542,949
Parking services	388,936
Buildings	387,540
Boatyard operations	364,793
Docks, piers, marine structures	502,201
Finance and purchasing	184,083
Environmental and permitting	145,693
Rescue services	107,898
Utilities	103,385
Non-cash OPEB liability	95,254
Port commission support	55,713
Aeration	37,456
Events	22,570
Capital projects	36
Fishery support	12,014
Tsunami expense	10,486
	<u>10,759,824</u>
Operating income	<u>412,143</u>
Non-operating revenues (expenses):	
County revenues for public services	50,000
Grants	32,393
Dredging reimbursement (Note 10)	525,000
Interest income	228,918
Interest income on leases (Note 8)	439,356
Other income	605,227
Interest expense	(394,410)
Tsunami insurance reimbursement	887,363
Non-cash pension income	1,010,262
	<u>3,384,109</u>
Increase in net position	3,796,252
Net position, beginning	<u>31,369,232</u>
Net position, ending	<u>\$ 35,165,484</u>

The notes to financial statements are an integral part of these statements.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 6. PENSION PLANS (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease		5.90%
Net Pension Liability	\$	7,966,039
Current Discount Rate		6.90%
Net Pension Liability	\$	5,417,181
1% Increase		7.90%
Net Pension Liability	\$	3,320,104

Pension Plan Fiduciary Net Position: Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan: At March 31, 2023, the District had no outstanding contributions payable to the pension plan required for the year ended March 31, 2023.

NOTE 7. RISK MANAGEMENT

The District covers its liability for significant claims by purchasing workers' compensation, property, and liability insurance. While there have been no significant reductions in insurance coverage in the current year, the annual premium costs increased significantly (approximately 123%). Settlement amounts have not materially exceeded insurance coverage for the current and prior year.

NOTE 8. LEASES

The District is the lessor of land and improvements under month to month and long-term, non-cancelable operating leases, expiring in various dates through December 2043. Of the District's total capital assets, a portion of total land, structures and improvements is available for rent and concessions, and docks (berths) are available for slip licensing, while the remainder is held for District use. The District recognized \$1,049,488 and \$439,356 in lease revenue and interest revenue, respectively, on non-cancelable rent and concession leases for the year ended March 31, 2023.

Certain long-term, noncancelable leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 8. LEASES (Continued)

Some leases require variable payments based on future performance of the lessee or usage of the underlying asset that are not included in the measurement of the lease receivable. Those variable payments are recognized as inflows of resources in the period in which payments are due. During the year ended March 31, 2023, the District recognized in income variable payments required to be paid by the lease agreements totaling \$746,031.

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 704,378	\$ 431,192	\$ 1,135,570
2025	757,614	409,319	1,166,933
2026	793,593	385,779	1,179,372
2027	767,062	361,923	1,128,985
2028	788,266	337,846	1,126,112
2029 Through 2033	3,742,870	1,334,342	5,077,212
2033 Through 2038	3,086,710	774,531	3,861,241
2039 Through 2043	3,249,316	246,674	3,495,990
2044 Through 2048	24,968	336	25,304
	<u>\$ 13,914,777</u>	<u>\$ 4,281,942</u>	<u>\$ 18,196,719</u>

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Public Employees’ Medical and Hospital Care Act (PEMHCA)

The District administers a multiple-employer defined benefit healthcare plan (the Plan). The Plan provides medical healthcare insurance for eligible retirees and their spouses through the CalPERS Health Benefits Program under the Public Employees’ Medical and Hospital Care Act (PEMHCA). No dental, vision, or life insurance benefits are provided by the Plan. Currently there are 4 retired employees and 32 active employees participating in the Plan.

Funding Policy: There is no statutory requirement for the District to pre-fund its OPEB obligation. The District has currently chosen to pay Plan benefits on a pay-as-you-go basis and does not maintain a trust fund for its OPEB obligation. The District’s fixed dollar benefit contribution cannot be less than the PEMHCA minimum for PEMHCA actives and retirees. The District accrued these benefits at the monthly statutory rate (\$151 for 2023) for each participant in the PEMCHA plan. The total amount paid directly by the District to CalPERS for the District’s health premium contributions under PEMHCA for retiree medical health care plan postemployment benefits for the year ending March 31, 2023 was \$2,961.

SANTA CRUZ PORT DISTRICT

NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2023

NOTE 10. DREDGING REIMBURSEMENT

In November, 2015, the District entered into an agreement with the Department of the Army Corps of Engineers (Corps) to reimburse the District for a portion of expected dredging costs, only if funds are specifically appropriated for that purpose. The agreement terminates on April 1, 2025. Due to the uncertainty of the availability of funds, revenue will be recorded when the funds are ultimately received. During the year ended March 31, 2023, the District received \$525,000 in payments from Department of the Army Corps of Engineers for dredging operations, which occurred January-December 2022.

NOTE 11. SUBSEQUENT EVENTS

Management has evaluated its March 31, 2023 financial statements for subsequent events through September 26, 2023, the date of issuance of the financial statements. The District is not aware of any subsequent events that would require recognition or disclosure in the financial statements.