

SAN MATEO COUNTY HARBOR DISTRICT
Report to the Board of Harbor Commissioners
For the Fiscal Year Ended
June 30, 2024

NIGRO & NIGRO^{PC}

SAN MATEO COUNTY HARBOR DISTRICT

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Board of Harbor Commissioners
San Mateo County Harbor District
El Granada, California

We are pleased to present this report related to our audit of the financial statements of the San Mateo County Harbor District (District) as of and for the year ended June 30, 2024. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the District's financial reporting process.

This report is intended solely for the information and use of the Board of Harbor Commissioners and management and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the District.

Very truly yours,

A handwritten signature in blue ink that reads 'Nigro & Nigro, PC'. The signature is written in a cursive, flowing style.

Murrieta, California
February 19, 2025

Required Communications

SAN MATEO COUNTY HARBOR DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2024

Generally accepted auditing standards (AU-C 260, *The Auditor’s Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
<p>Our Responsibilities with Regard to the Financial Statement Audit</p>	<p>Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated May 1, 2024. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.</p>
<p>Overview of the Planned Scope and Timing of the Financial Statement Audit</p>	<p>An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions and the account-type of areas tested. There were no changes to the planned scope and timing of our audit testwork.</p>
<p>Accounting Policies and Practices</p>	<p>Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. During our audit, no such circumstances were noted.</p> <p>Adoption of, or Change in, Significant Accounting Policies or Their Application Management has the ultimate responsibility for the appropriateness of the accounting policies used by the District. The District did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management’s Judgments and Accounting Estimates Accounting estimates are an integral part of the preparation of financial statements and are based upon management’s current judgement. No such significant accounting estimates were noted or estimate applications were changed from the previous year.</p>
<p>Audit Adjustments</p>	<p>Audit adjustments are summarized in the attached Summary of Adjusting Journal Entries.</p>
<p>Uncorrected Misstatements</p>	<p>We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.</p>

SAN MATEO COUNTY HARBOR DISTRICT

Required Communications

For the Fiscal Year Ended June 30, 2024

Area	Comments
Discussions With Management	We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditor. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.
Disagreements With Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations With Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed With Management	No significant issues arising from the audit were discussed or the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	No significant difficulties were encountered in performing our audit.
Required Supplementary Information	We applied certain limited procedures to the: <ol style="list-style-type: none">1. Management's Discussion and Analysis2. Required Pension Plan Disclosures3. Required OPEB Plan Disclosures Which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

SAN MATEO COUNTY HARBOR DISTRICT
Required Communications
For the Fiscal Year Ended June 30, 2024

Area	Comments
<p>Supplementary Information</p>	<p>We were engaged to report on the, Supplementary Information:</p> <ol style="list-style-type: none"> 1. Schedule of Rev, Exp & Net Position - Administration 2. Schedule of Rev, Exp & Net Position – Pillar Point 3. Schedule of Rev, Exp & Net Position – Oyster Point <p>Which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.</p>

This information is intended solely for the information and use of Board of Harbor Commissioners and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Summary of Adjusting Journal Entries

SAN MATEO COUNTY HARBOR DISTRICT
Summary of Adjusting Journal Entries
For the Fiscal Year Ended June 30, 2024

See Attached Report

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 1			
To reclass unapplied credits			
100-000-110145	Unapplied Credits - PPH	19,425.16	
100-000-110148	Unapplied Credits - OPM	21,025.60	
100-000-110149	Unapplied Credits - ADM	5,052.00	
100-000-210080	Customer Prepays - OPM		21,025.60
100-000-210081	Customer Prepays - PPH		19,425.16
100-000-210082	Customer Prepays - ADM		5,052.00
Total		45,502.76	45,502.76
Adjusting Journal Entries JE # 2			
To Calculate GASB 87			
100-000-110055	Lease Receivable - GASB87	723,034.00	
100-201-420301	Lease Revenue Adjustment	56,044.00	
100-000-217000	Deferred Inflows - Lease		699,341.00
100-201-420300	Interest Income - GASB87		79,737.00
Total		779,078.00	779,078.00
Adjusting Journal Entries JE # 3			
To Accrue LAIF Interest receivable			
100-000-110080	Interest Receivable	88.99	
100-103-410054	Interest Income		88.99
Total		88.99	88.99
Adjusting Journal Entries JE # 4			
To true up prepaid expenses.			
100-103-670001	Postage	37.12	
100-000-110152	Prepaid Postage		37.12
Total		37.12	37.12
Adjusting Journal Entries JE # 5			
To true up FMV adjustment.			
100-000-110017	FMV Adjustment	527,319.36	
100-301-430082	FMV Adj	29.05	
100-000-110018.1	LAIF FMV		29.05
100-103-430082	FMV Adjustment		527,319.36
Total		527,348.41	527,348.41
Adjusting Journal Entries JE # 6			
To True up Property tax receivable and expenses			
100-103-785000	Property Tax Admin. Costs	5,429.84	
100-103-410095	Property Taxes		5,429.84
Total		5,429.84	5,429.84

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 7			
To record GASB 68.			
100-000-215000	Deferred Inflows - Pension	70,332.00	
100-103-520001	Retirement-ER Portion	124,897.00	
100-103-520500	Retirement - UAL Expense	100,760.00	
100-201-520001	Retirement-ER Portion	168,784.00	
100-201-520500	Retirement - UAL Expense	106,942.00	
100-301-520001	Retirement-ER Portion	95,609.00	
100-301-520500	Retirement - UAL Expense	60,700.00	
100-000-115000	Deferred Outflows - Pension		258,085.00
100-000-210100	GASB 68 PensionLiability		469,939.00
Total		728,024.00	728,024.00
Adjusting Journal Entries JE # 8			
To record GASB 75.			
100-000-210095	Longevity Benefit Payable	83,492.00	
100-000-216000	Deferred Inflows - OPEB	114,618.00	
100-103-523002	Health Ins.-Retirees	352.26	
100-103-523011	Life Insurance-Retirees	18.07	
100-201-523002	Health Ins.-Retirees	9,863.41	
100-201-523011	Life Insurance-Retirees	281.26	
100-301-523002	Health Ins.-Retirees	11,905.46	
100-301-523011	Life Insurance-Retirees	453.54	
100-000-116000	Deferred Outflows - OPEB		220,984.00
Total		220,984.00	220,984.00
Adjusting Journal Entries JE # 9			
To true up Accounts receivable to reflect WC compensation refund. PBC			
100-000-110043	Accounts Receivable - Admin.	23,908.61	
100-103-710000	Insurance Premiums		2,711.24
100-201-710000	Insurance Premiums		13,381.65
100-301-710000	Insurance Premiums		7,815.72
Total		23,908.61	23,908.61
Adjusting Journal Entries JE # 10			
To expense OE3 health insurance payment and write-off unreconciled Health insurance payable. PBC			
100-000-210093	Health Insurance Payable	24,438.62	
100-103-523000	Health Insurance		3,399.66
100-201-523000	Health Insurance		12,623.37
100-301-523000	Health Insurance		8,415.59
Total		24,438.62	24,438.62

Account	Description	Debit	Credit
Adjusting Journal Entries			
Adjusting Journal Entries JE # 11			
To reclass to prepaid expense from AP, health insurance payments for July that were paid in June,			
100-000-110154	Prepaid Insurance	76,683.42	
100-000-210093	Health Insurance Payable		76,683.42
Total		76,683.42	76,683.42
	Total Adjusting Journal Entries	2,431,523.77	2,431,523.77