



SANTA CRUZ PORT DISTRICT
Presentation to the Board of Port Commissioners
For the Fiscal Year Ended
March 31, 2024

NIGRO & NIGRO^{PC}



SCOPE OF WORK

Perform Audit Testwork of the Entity's Annual Financial Statements/Report

Report on the Entity's internal control over financial reporting and on compliance in accordance with Government Auditing Standards

OUR RESPONSIBILITY IN ACCORDANCE WITH PROFESSIONAL STANDARDS

1. Form and express an opinion about whether the Annual Financial Statements results, that have been prepared by management, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. Our responsibility is to plan and perform the audit to obtain **reasonable assurance (not absolute assurance)** about whether the Annual Financial Statements are free of material misstatements.
3. We are to consider the Entity's internal controls and segregations of duties over accounting procedures and financial reporting as we perform our audit testwork. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal controls.

AUDIT RESULTS

An Auditor's **Unmodified Opinion** has been issued on the Annual Financial Statements.

- The Annual Financial Statements are fairly presented in all material respects.
- The adopted significant accounting policies have been consistently applied.
- Estimates are considered reasonable for Depreciation, Pension and OPEB expenses, as well as, Lease revenues and expenses.
- Required disclosures are properly reflected in the Annual Financial Statements.

AU-C 265 – Communicating Internal Control Related Matters Identified in an Audit

No Material Issues Arose to be Reported to the Governing Board/Management

Any Minor Issues Were Discussed Orally and Corrected by Management

How Do We Make You Better?

Best Practice Solutions Were Conveyed to Management – That's the Audit ROI

Santa Cruz Port District
Dashboard – Audited Financial Statements
March 31, 2024 vs 2023

Revenues & Expenses	2024	2023	Variance
Operating Revenues:			
Berthing and services	\$ 8,947,391	\$ 9,060,943	\$ (113,552)
Rent and concessions	2,510,999	2,550,380	(39,381)
			<u>(152,933)</u>
Non-Operating Revenues:			
Investment earnings	801,899	228,918	572,981
Grants and contributions	88,322	82,393	5,929
Dredging reimbursement	525,000	525,000	-
Sale of capital assets	3,050	-	3,050
Tsunami insurance reimbursement	-	887,363	(887,363)
Other non-operating revenues	421,695	605,237	(183,542)
Capital Contributions			
Local capital contributions	78,745	-	78,745
Total Revenues	<u>13,377,101</u>	<u>13,940,234</u>	<u>(563,133)</u>
Operating Expenses:			
Salaries and benefits	4,680,581	3,302,427	1,378,154
Facilities and maintenance	546,498	505,670	40,828
Professional and legal services	413,612	378,998	34,614
Materials and services	2,370,642	2,593,790	(223,148)
Insurance	1,360,389	783,847	576,542
Operating expenses before depr.	<u>9,371,722</u>	<u>7,564,732</u>	<u>1,806,990</u>
Depreciation expense	2,111,480	2,184,840	(73,360)
Total Operating Expenses	<u>11,483,202</u>	<u>9,749,572</u>	<u>1,733,630</u>
Non-Operating Expenses:			
Interest expense	348,396	394,410	(46,014)
Total Expenses	<u>11,831,598</u>	<u>10,143,982</u>	<u>1,687,616</u>
Change in Revenues & Expenses	<u>\$ 1,545,503</u>	<u>\$ 3,796,252</u>	<u>\$ (2,250,749)</u>
Capital Outlay:			
Capital Asset Additions	\$ (2,491,260)	\$ (728,922)	\$ (1,762,338)
Depreciation Expense	2,111,480	2,184,840	(73,360)
Change in Capital Expense	<u>\$ (379,780)</u>	<u>\$ 1,455,918</u>	<u>\$ (1,835,698)</u>
Debt Service:			
Principal Paid	\$ (1,290,388)	\$ (1,329,940)	\$ 39,552
Change in Debt Service	<u>\$ (1,290,388)</u>	<u>\$ (1,329,940)</u>	<u>\$ 39,552</u>
Cash & Investments	<u>\$ 20,126,911</u>	<u>\$ 15,742,095</u>	<u>\$ 4,384,816</u>
Quick Summary:			
Change in Revenues & Expenses	\$ 1,545,503		
Change in Capital Expense	(379,780)	Use of cash	
Change in Debt Service	(1,290,388)	Use of cash	
Change in Customer Deposits & Deferred	4,418,614	Change to cash	
Change in Accounts Receivable	174,883	Change to cash	
Change in Lease Receivable, net	(364,428)	Change to cash	
Change in Pension & OPEB liability	276,101	Non-cash	
Change in Cash & Investments	<u>\$ 4,380,505</u>	Approximately	<u>\$ (4,311)</u>
Investment Earnings to Portfolio	<u>4.47%</u>		
	17,934,503	Average Portfolio	