



## San Mateo County Harbor District

### Board of Harbor Commissioners

Tom Mattusch, President  
Virginia Chang Kiraly, Vice President  
Robert Bernardo, Secretary  
Pietro Parravano, Treasurer  
Sabrina Brennan, Commissioner

Steve McGrath, General Manager

May 19, 2016

JJACPA, Inc.  
7080 Donlon Way, Suite 204  
Dublin, CA 94568

This representation letter is provided in connection with your audit of the *basic financial statements* of San Mateo County Harbor District (District) as of June 30, 2015 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 19, 2016:

#### **Financial Statements**

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 5, 2015 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- 2) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 4) We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- 5) We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- 6) We have a process to track the status of audit findings and recommendations.



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- 7) We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- 8) Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- 9) Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- 10) All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- 11) The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- 12) We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (FASB Accounting Standards Codification™ (ASC) 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments.
- 13) All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- 14) All funds and activities are properly classified.
- 15) All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- 16) All components of net position are properly classified and, if applicable, approved.
- 17) Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- 18) Deposit and investment risks have been properly and fully disclosed.
- 19) Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- 20) All required supplementary information is measured and presented within the prescribed guidelines.



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- 21) With regard to investments and other instruments reported at fair value:
- a) The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - b) The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - c) The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
  - d) There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

### Information Provided

- 1) We have provided you with:
  - a) Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - b) Additional information that you have requested from us for the purpose of the audit; and
  - c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- 2) All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 3) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 4) We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a) Management;
  - b) Employees who have significant roles in internal control; or
  - c) Others where the fraud could have a material effect on the financial statements.
- 5) We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- 6) We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- 7) We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- 8) There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- 9) The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.



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- 10) We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
- 11) We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- 12) We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- 13) There are no:
  - a) Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - b) Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - c) Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- 14) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- 15) We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

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Steve McGrath, General Manager

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Glenn Lazof, Interim Director of Administrative Services