



CPAs & BUSINESS ADVISORS

STOCKTON PORT DISTRICT

Independent Auditor's Communication to those Charged with Governance (AU-C 260) for the fiscal year ended June 30, 2020

February 1, 2021

AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

Our Responsibility under Generally Accepted Auditing Standards (GAAS)

- Consider internal control to the extent necessary to design an effective and efficient audit approach, not for the purpose of providing assurance on internal control.
- Design and implement audit procedures based on our understanding of the Stockton Port District (District) to gain reasonable, not absolute, assurance as to the absence of material misstatements in the financial statements.
- Perform tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.
- Opine on financial statements based on our audit.
- GASB Statement No. 34 requires the District to present management's discussion and analysis and other required supplementary information in the financial statements.

AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

Scope of Work

- Audit of the Comprehensive Annual Financial Report (CAFR)
- Single Audit

Results

- Unmodified Opinion
- Audit in progress; expecting to complete by March 31, 2021.

AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

Significant Accounting Policies

The District's significant accounting policies are described in Note 2 to the financial statements and are in accordance with generally accepted accounting principles and consistent with industry practices and standards.

Management Judgments and Accounting Estimates

- Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ from management's current judgments:
 - Estimating allowances for accounts receivables
 - Establishing self-insurance liabilities and reserves
 - Pollution remediation liabilities
 - Total other postemployment benefits (OPEB) liabilities, and related deferred inflows of resources and deferred outflows of resources

AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

Corrected and Uncorrected Misstatements

- There were no corrected misstatements identified as a result of our audit procedures.
- Uncorrected misstatements were individually and in aggregate not material to the financial statements as a whole.

Difficulties Encountered in Performing the Audit

- None noted.

Disagreements with Management

- None noted.

Management Consultations with Other Independent Accountants

- None noted.

AUDITOR'S REQUIRED COMMUNICATION (AU-C 260)

Other Significant Matters, Findings or Issues in the CAFR audit

- Management letter comments
 - Contract Monitoring

Management Representations

- We received a representation letter provided to us by management dated November 30, 2020 for the CAFR audit
- A separate representation letter will be obtained from management for the single audit

QUESTIONS?

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.

THANK YOU

Kinnaly Soukhaseum

Partner

ksoukhaseum@eidebailly.com

916.570.1880

Kyle Bartle

Manager

kbartle@eidebailly.com

916.999.8512



CPAs & BUSINESS ADVISORS