



January 31, 2012

To: Audit Committee of the City of San Diego

The following is Southeastern Economic Development Corporation's (SEDC) financial management team's responses to the City of San Diego's Audit Committee's questions asked with respect to the SEDC Fiscal Year 2011 audited financial statements:

1. Do you believe the financial statements fairly present the unit's net assets and activities in accordance with generally accepted accounting principles (GAAP) or some other acceptable comprehensive basis of accounting?

Yes.

2. To the best of your knowledge, was the audit performed in accordance with generally accepted auditing standards (GAAS) or generally accepted government auditing standards (GAGAS)? If not, why?

Yes.

3. Do the financial statements contain deviations from generally accepted accounting principles (GAAP)? If so, why?

No.

4. Were there any significant accounting adjustments affecting the financial statements (prior year as well as current year)?

No.

5. Are you satisfied that an appropriate audit was performed by the independent auditors?

Yes.

6. Is there any activity at any level within the unit that you consider to be a significant violation of laws, regulations, contracts or grants, or significant departures from GAAP or other than those already identified?

No.

7. Are there any questions we have not asked that should have been asked? If so, what are those questions?

None.

Wanda F. Nations

Wanda F. Nations
Interim Finance Manager / J.A.

[Signature]
Jerome G. Groomes
President