



December 8, 2020

To the Governing Board of the
Fresno Council of Governments
Fresno, California

We have audited the financial statements of the governmental activities, general fund, and the aggregate remaining fund information of Fresno Council of Governments (Fresno COG) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 26, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Fresno COG are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2020. We noted no transactions entered into by Fresno COG during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. 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 significantly from those expected. The most sensitive estimate affecting Fresno COG's financial statements was:

Management's estimate of the economic useful lives of capital assets is based on past history of similar types of assets, future plans to their use, and other factors that impact their economic value to Fresno COG. We evaluated the key factors and assumptions used to develop the economic useful lives of capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

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Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. The attached schedule summarizes material misstatements detected as a result of audit procedures. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 8, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Fresno COG's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Fresno COG's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the 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.

We were engaged to report on the supplementary information, which accompanies the financial statements but is 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.

Restriction on Use

This information is intended solely for the information and use of the Governing Board and management of Fresno Council of Governments and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Price Pange & Company

Client: FCOG - FRESNO COUNCIL OF GOVERNMENTS
Engagement: 6-30-20 Audit
Current Period: 06/30/2020
Workpaper: Attachment: Corrected Audit Adjustments

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
AJE100		K505			
	To record prior period adjustment for YARTS understatement of revenue from various previous years.				
01-202.7	DEFERRED REVENUES-YARTS		331,452.30	0.00	
01-399	Prior period adjustments		0.00	331,452.30	
Total			<u>331,452.30</u>	<u>331,452.30</u>	<u>0.00</u>
AJE105		K505			
	To correctly record current year YARTS activity from deferred revenue to misc. revenue				
01-202.7	DEFERRED REVENUES-YARTS		240,915.09	0.00	
01-484	MISCELLANEOUS INCOME		0.00	240,915.09	
Total			<u>240,915.09</u>	<u>240,915.09</u>	<u>240,915.09</u>
GRAND TOTAL			<u>572,367.39</u>	<u>572,367.39</u>	<u>240,915.09</u>