



November 1, 2019

To the Governing Board of the
San Joaquin Valley Water Infrastructure Authority
Fresno, California

We have audited the financial statements of the San Joaquin Valley Water Infrastructure Authority (the "Authority") for the years ended June 30, 2019 and 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards 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 October 17, 2019. 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 the Authority 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 2019 and 2018. We noted no transactions entered into by the Authority 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. We are not aware of any significant estimates for the years ended June 30, 2019 and 2018.

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.

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. Management has corrected all such misstatements. The material misstatements (see attached schedule) detected as a result of audit procedures were corrected by management.

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.

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Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 1, 2019.

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 the Authority'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 the Authority's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Restriction on Use

This information is intended solely for the information and use of the Governing Board and management of San Joaquin Valley Water Infrastructure Authority 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: SAN JOAQUIN VALLEY WATER INFRASTRUCTURE AUTHORITY
Engagement: 6-30-2019 & 6-30-2018
Current Period: 06/30/2018
Workpaper: Attachment: Corrected Audit Adjustments -2018

Account	Description	Debit	Credit	Net Income Effect	Workpaper Reference
AJE01-2018					
To record accounts receivable for membership contributions that were billed but not collected at 6-30-18					
10350	Contributions Receivable	47,410.00			RE200
14841	Other Governmental Agencies		47,410.00		
		<u>47,410.00</u>	<u>47,410.00</u>	<u>47,410.00</u>	
AJE02-2018					
To record in-kind services for quarter 2 that were not posted to the GL					
					RE400
	17899 Cost of Donated Engineering Services	10,981.19			
	15895 Value of Donated Engineering Services		10,981.19		
		<u>10,981.19</u>	<u>10,981.19</u>	<u>-</u>	
AJE03-2018					
To record the unspent portion of the City of Fresno's contribution as deferred revenue.					
					RE350
	15890 Engineering Services Revenue	63,809.00			
	11450 Deferred Revenue (PPC created)		63,809.00		
		<u>63,809.00</u>	<u>63,809.00</u>	<u>(63,809.00)</u>	
GRAND TOTAL		<u><u>122,200.19</u></u>	<u><u>122,200.19</u></u>	<u><u>(16,399.00)</u></u>	

Client: SAN JOAQUIN VALLEY WATER INFRASTRUCTURE AUTHORITY
Engagement: 6-30-2019 & 6-30-2018
Current Period: 06/30/2019
Workpaper: Attachment: Corrected Audit Adjustments -2019

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
AJE01-2019					
To reverse prior year accrual and reconcile fund balance for FY2019 (PPC AJE01-2018)					
14841	Other Governmental Agencies		47,410.00	0.00	
12230	Fund Balance - Unassigned		0.00	47,410.00	
Total			47,410.00	47,410.00	(47,410.00)
AJE02-2019					
To record membership receivable for 2019					
10350	Contributions Receivable		46,910.00	0.00	
14841	Other Governmental Agencies		0.00	46,910.00	
Total			46,910.00	46,910.00	46,910.00
AJE03-2019					
To adjust 2019 salaries for variance caused by inconsistent accruals					
11240	Accrued Liabilities		16,474.00	0.00	
16100	Regular Salaries		0.00	16,474.00	
Total			16,474.00	16,474.00	16,474.00
AJE04-2019					
To record in-kind engineering services for the period of January-June 2019					
17899	Cost of Donated Engineering Services		10,787.00	0.00	
15895	Value of Donated Engineering Services		0.00	10,787.00	
Total			10,787.00	10,787.00	0.00
AJE05-2019					
To record the effects of PPC AJE03-2018 on FY2019 trial balance					
12230	Fund Balance - Unassigned		63,809.00	0.00	
11450	Deferred Revenue (PPC created)		0.00	63,809.00	
Total			63,809.00	63,809.00	0.00
AJE06-2019					
To reduce deferred revenue for the amount applied towards the City of Fresno's 2019 membership fee					
11450	Deferred Revenue (PPC created)		9,000.00	0.00	
14841	Other Governmental Agencies		0.00	9,000.00	
Total			9,000.00	9,000.00	9,000.00

Client: SAN JOAQUIN VALLEY WATER INFRASTRUCTURE AUTHORITY
Engagement: 6-30-2019 & 6-30-2018
Current Period: 06/30/2019
Workpaper: Attachment: Corrected Audit Adjustments -2019

Account	Description	Workpaper Reference	Debit	Credit	Net Income Effect
CJE01-2019		O200			
CJE- To reconcile fund balance for prior period accruals which were not posted in People Soft & to clean up fiduciary liability to fund balance.					
11475	Prior FY Cancellation		628.00	0.00	
11480	Fiduciary Closing		338,794.00	0.00	
17491	Accounting Services		2,936.00	0.00	
11240	Accrued Liabilities		0.00	38,591.00	
12230	Fund Balance - Unassigned		0.00	300,831.00	
17295	Professional & Specialized Ser		0.00	2,936.00	
Total			342,358.00	342,358.00	0.00
CJE02-2019		O200			
To reverse prior fiscal year accruals					
11240	Accrued Liabilities		38,591.00	0.00	
16100	Regular Salaries		0.00	2,282.00	
17265	Office Expense		0.00	485.00	
17268	Postage		0.00	4.00	
17295	Professional & Specialized Ser		0.00	1,919.00	
17898	Projects - Other		0.00	33,901.00	
Total			38,591.00	38,591.00	38,591.00
CJE03-2019		O200			
To accrue S&B, AP, and bank charges as of 6-30-19					
16100	Regular Salaries		16,474.00	0.00	
17295	Professional & Specialized Ser		4,720.00	0.00	
17612	Interest/Bank Charges		10.00	0.00	
11240	Accrued Liabilities		0.00	21,204.00	
Total			21,204.00	21,204.00	(21,204.00)
CJE04-2019		O200			
To post donated engineering services and the related donated expenditures					
17899	Cost of Donated Engineering Services		29,655.00	0.00	
15895	Value of Donated Engineering Services		0.00	29,655.00	
Total			29,655.00	29,655.00	0.00
GRAND TOTAL			626,198.00	626,198.00	42,361.00