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REQUIRED COMMUNICATIONS LETTER

To the Board of Directors
Yolo Emergency Communications Agency
Woodland, California

We have audited the financial statements of the Yolo Emergency Communications Agency (YECA) for the year ended June 30, 2019 and have issued our report thereon dated January 20, 2020. Professional standards require that we provide you with the information about our responsibilities under generally accepted auditing standards and, if applicable, *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards (GAAS) and *Government Auditing Standards*

As stated in our engagement letter dated August 3, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of YECA. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of YECA's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involves judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further auditing procedures. Material misstatements may result from (1) errors, (2) fraudulent financial report, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We have communicated internal control related matters that are required to be

communicated under professional standards in a separate letter. We performed the audit according to the planned scope previously communicated to you in our engagement letter dated August 3, 2017.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by YECA are described in Note A to the financial statements. YECA adopted Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* as of June 30, 2019. Implementation of GASB No. 88 resulted in additional required disclosures in Note 5 to the financial statements related to default provisions in the capital lease agreement. No other new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transaction entered into by YECA 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. Accounting estimates are used in determining the depreciable lives and methods used for capital assets and the valuation of the OPEB liability and net pension liability. The depreciable lives and methods used for capital assets affects the amount of depreciation expense that is recorded and are based on YECA's estimate of the useful lives of the assets. The net OPEB liability is based on an actuarial report, which is based on assumptions including future employment, retirement rates and future costs of health care and health insurance. The net pension liability was determined through an actuarial valuation performed by CalPERS, which is performed annually. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements were:

Pension Liability: Information on YECA's pension plans, including YECA's share of the unfunded pension liability, is shown in Note 6. YECA's share of the unfunded pension liability at June 30, 2018, the most recent measurement date, was \$3,407,342 which is reflected as a liability in YECA's financial statements as of June 30, 2019.

Other Postemployment Benefits: Information on YECA's other postemployment benefits is included in Note 8. YECA's unfunded OPEB liability at June 30, 2018, the most recent measurement date, was \$1,748,382 which is reflected as a liability in YECA's financial statements as of June 30, 2019. The liability continues to increase because YECA is not pre-funding the Plan, only paying premiums for current retirees.

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

Difficulties Encountered in Performing the Audit

We encountered no 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 trivial, and communicate them to the appropriate level of management. Two audit adjustments were noted as a result of our audit as follows: To defer the portion of the Rumsey Canyon grant no expended as of June 30, 2019 and reclassify maintenance agreement on equipment purchase from capital asset to prepaid expense.

The attached schedule summarizes uncorrected misstatements of the financial statements. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter 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 January 20, 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 YECA'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 Matters

We applied certain limited procedures to the other postemployment benefits schedule of funding progress, schedule of the proportionate share of the net pension liability, and schedule of contributions to the pension plan, which is 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.

This information is intended solely for the use of the Board of Directors and management of YECA and is not intended to be and should not be used by anyone other than these specified parties.

Richardson & Company, LLP

January 20, 2020

YOLO EMERGENCY COMMUNICATIONS AGENCY
SUMMARY OF UNADJUSTED AUDIT DIFFERENCES
YEAR ENDED JUNE 30, 2019

Description (Nature) of Audit Difference	Financial Statements Effect - Amount of Overstatement (Understatement) of:			
	Total Assets	Total Liabilities	Total Fund Balance	Total Change in Fund Balance
To adjust for fair value of investments per GASB 31	\$ 14,046		\$ (14,046)	\$ (14,046)
Net Unadjusted Audit Differences - This Year	14,046	0	(14,046)	(14,046)
Financial Statement Caption Totals - General Fund	2,731,584	\$ 229,914	2,501,670	(80,635)
Net Audit Differences as % of F/S Captions	0.51%	0.00%	(0.56%)	17.42%
Financial Statement Caption Totals-Gov'tl funds	6,910,934	7,426,851	889,165	203,695
Net Audit Differences as % of F/S Captions	0.20%	0.00%	(1.58%)	(6.90%)