

To the Honorable Board of Supervisors
County of Fresno
Fresno, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County of Fresno (the County) for the fiscal year ended June 30, 2025. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America, *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 June 8, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 2 to the financial statements. As discussed in Note 2 to the financial statements, the County adopted Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, and GASB Statement No. 102, *Certain Risk Disclosures*, during the fiscal year ended June 30, 2025. We noted no transactions entered into by the County 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 estimates affecting the County's financial statements were:

Management's estimates of the net pension liabilities and related deferred outflows and inflows of resources, which are based on actuarial reports prepared and provided by an independent third party. We evaluated the key factors and assumptions used to develop the estimates of the net pension liabilities and related deferred outflows and inflows of resources in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates of the current cost of landfill closure and postclosure costs liability are based on the provisions of GASB Statement No. 18. The percentage of the landfill used determines the percentage of the liability that is to be incurred based on remaining capacity as determined via aerial surveying and usage of the Computer Aided Earthmoving System (CAES), inflation factors, and other assumptions utilized by management. We evaluated the key factors and assumptions used to develop the estimates of the current cost of landfill closure and postclosure costs liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates of the self-insurance claims liability and associated reserve levels are based on actuarial reports prepared and provided by an independent third party, rate studies by outside consultants, and prior experience from management. We evaluated the key factors and

assumptions used to develop the estimates of the self-insurance claims liability and associated reserve levels in determining that they are reasonable in relation to the financial statements taken as a whole.

Management's estimates of the discount rate for the purpose of calculating the right-to-use assets and the related liabilities for leases and subscription based information technology arrangements (SBITAs) are based on the County's borrowing rate. 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 whole.

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

- Note 9 – Leases
- Note 10 – Subscription Liability
- Note 12 – Pensions
- Note 13 – Risk Management
- Note 16 – Contingent Liabilities and Commitments
- Note 19 – Restatements for Changes in Accounting Estimates and Error Correction
- Note 21 – Subsequent Events

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. We noted no such misstatements during our audit.

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 19, 2025.

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 County'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 County'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), as listed in the Annual Comprehensive Financial Report (ACFR) table of contents, which 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, as listed in the ACFR table of contents, 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.

We were not engaged to report on the Introductory Section and Statistical Section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
December 19, 2025