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ACCOUNTANCY CORPORATION

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AUDITOR CONTROLLER
ADMINISTRATION DIVISION

September 11, 2012

Ms. Vicki Crow, CPA
Auditor-Controller/
Treasurer-Tax Collector
County of Fresno
2200 Fresno Street
Fresno, California 93721

Dear Ms. Crow:

It is our pleasure to present our proposal to continue to provide independent auditing services to the San Joaquin Valley Insurance Authority (the Authority).

We will perform the annual financial statement audit of the San Joaquin Valley Insurance Authority financial statements for the year ended June 30, 2012. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

It is our understanding that there has been a significant change in the nature of the Authority's operations for the 2012 fiscal year. In prior years, the Authority did not 'retain risk' as that concept is defined in GASB 10; instead the Authority simply acted as a claims servicer and not an insurer. However, for the 2012 fiscal year, the participants in the pool have transferred risk to the Authority and accordingly the accounting and financial reporting requirements are significantly different. As a result of this change in the nature of operations, our fee for the audit of the financial statements for the fiscal year ended June 30, 2012 is \$17,500.

Our audit professionals are highly qualified and have extensive experience in governmental audit and accounting and we can assure you that we fully understand the work to be performed. Additionally, we wish to emphasize our commitment to meeting or exceeding all of your expectations. Additional information about our firm's audit department and the services we offer may be found on our website at www.ppcpas.com.

We appreciate the opportunity to submit this proposal to serve you and would be pleased to furnish any additional information regarding our Firm or answer any other specific questions or concerns you may have. I am the audit principal for our firm and I am authorized to make representations for the firm with regard to this proposal. I may be reached at (559) 299-9540 or via e-mail at fausto@ppcpas.com.

Sincerely,



Fausto Hinojosa, CPA, CFE
Audit Principal
Price, Paige & Company