



Board of Directors  
Metropolitan Washington Council of Governments  
Washington, DC

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Metropolitan Washington Council of Governments (MWCOG) as of and for the year ended June 30, 2024, and have issued our report thereon dated December 31, 2024. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, *Government Auditing Standards*, and Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as well as certain information related to the planned scope and timing of our audit in our Statement of Work dated June 6, 2024. Professional standards also require that we communicate to you the following information related to our audit.

## **Significant audit findings or issues**

### ***Qualitative aspects of accounting practices***

#### **Accounting policies**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by MWCOG 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 2024.

We noted no transactions entered into by the entity 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**

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 the financial statements was (were):

- Management's estimate of the net pension asset/liability is based on the use of actuaries and appropriate government auditing standards. We evaluated the key factors and assumptions used to develop the pension asset/liability estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

#### **Financial statement disclosures**

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

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

***Significant unusual transactions***

We identified no significant unusual transactions.

***Difficulties encountered in performing the audit***

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

***Uncorrected misstatements***

Professional standards require us to accumulate all 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 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.

***Corrected misstatements***

Management did not identify and we did not notify them of any financial statement misstatements detected as a result of audit procedures.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Management representations***

We have requested certain representations from management that are included in the management representation letter dated December 31, 2024.

***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 entity's financial statements or a determination of the type of auditors' 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.

***Significant issues discussed with management prior to engagement***

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

***Significant findings or issues that were discussed, or the subject of correspondence, with management***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year. We noted no significant findings or issues arising from the audit that were discussed, or the subject of correspondence, with management.

### **Required supplementary information**

With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

### **Supplementary information in relation to the financial statements as a whole**

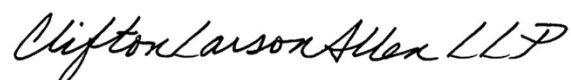
With respect to the schedule of expenditures of federal awards (SEFA) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the SEFA to determine that the SEFA complies with the requirements of the Uniform Guidance, the method of preparing it has not changed from the prior period or the reasons for such changes, and the SEFA is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the SEFA to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated December 31, 2024.

With respect to the Combining Pension Trust Fund Statement of Fiduciary Net Position and the Combining Pension Trust Fund Statement of Changes in Fiduciary Net Position (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, 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 or the reasons for such changes, 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 have issued our report thereon dated December 31, 2024.

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



**CliftonLarsonAllen LLP**

Baltimore, Maryland  
December 31, 2024

**SUMMARY OF UNCORRECTED MISSTATEMENTS - AUDIT**  
**Metropolitan Washington Council of Governments**  
**Government-Wide**  
**Year Ended June 30, 2024**

Description	Assets	Deferred Outflows of Resources	Liabilities	Deferred Inflows of Resources	Fund Balance / Net Position	Change in Fund Balance / Net Position
<p>Debits/Credits - Amounts should be entered as debits (positive amounts) or credits (negative amounts). For example, increases to assets as debits, increases to liabilities as credits, decreases to net income as debits, and increases to net income as credits. Collapse this row (to the left) to print for attachment to management representation letter.</p> <p>Describe all current year misstatements below.</p>						
Increase accumulated amortization for RTU-leased assets	\$ (96,787)	\$ -	\$ -	\$ -	\$ 96,787	\$ 96,787
Increase subscription-based information technology agreement liabilities	-	-	(92,181)	-	92,181	\$ 92,181
Increase RTU-subscription-based information technology agreements	158,602	-	-	-	(158,602)	\$ (158,602)
Decrease accumulated amortization for RTU-subscription-based information technology agreements assts	331,989	-	-	-	(331,989)	\$ (331,989)
Net current year misstatements (Iron Curtain Method)	393,804	-	(92,181)	-	(301,623)	(301,623)
Effect of prior year uncorrected misstatements on the change in fund balance/net position						-
Combined current and prior year misstatements (Rollover Method)	\$ 393,804	\$ -	\$ (92,181)	\$ -	\$ (301,623)	\$ (301,623)
Financial statement totals	<u>\$ 60,492,423</u>	<u>\$ 5,334,755</u>	<u>\$ (31,145,341)</u>	<u>\$ (3,752,197)</u>	<u>\$ (30,929,640)</u>	<u>\$ (2,954,689)</u>
Current year misstatement as a % of financial statement totals (Iron Curtain Method)	1%		0%		1%	10%
Current and prior year misstatement as a % of financial statement totals (Rollover Method)	1%		0%		1%	10%