



**COMMUNICATIONS WITH THOSE IN GOVERNANCE**

Board of Directors  
El Dorado County Fire Safe Council  
Placerville, CA

I have audited the financial statements of El Dorado County Fire Safe Council for the year ended June 30, 2014, and have issued my report thereon dated June 22, 2015. Professional standards require that I provide you with information about my responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of my audit. I have communicated such information in our engagement letter to you dated January 17, 2015. Professional standards also require that I communicate to you the following information related to my audit.

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by El Dorado County Fire Safe Council are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of the existing policies was not changed during the year. I noted no transaction entered into by the Organization 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 estimate affecting the financial statements was:

Management's estimated allocation of overhead expenses between program and administration. I evaluated the key factors and assumptions used to develop the allocations in determining that it is 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 was:

The disclosure of the CONTRACTUAL REQUIREMENT ON CASH Note 8 to the financial statements. This footnote discusses the outstanding costs to be expended for the monies in the bank to be earned.

This information is important because the statements are on the modified cash basis.

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

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#### *Difficulties Encounter in Performing the Audit*

I encountered no significant difficulties in dealing with management in performing and completing my audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require me 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 audit resulted in no recommended journal entries. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

#### *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 my satisfaction, that could be significant to the financial statements or the auditor's report. I am pleased to report that no such disagreements arose during the course of my audit.

#### *Management Representations*

I have requested certain representations from management that are included in the management representation letter dated June 22, 2015.

#### *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 Organization'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 me to determine that the consultant has all the relevant facts. To my knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

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

#### **Organizational Structure**

The size of the organization's accounting and administrative staff precludes certain internal controls that would be preferred if the office staff were large enough to provide optimum segregation of duties. This situation dictates that the Board of Directors remains involved in the financial affairs of the organization to provide oversight and independent review functions.

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### **Minutes to the Board of Directors**

The minutes are to be a documentation of the business of the board and when a vote is taken the number in agreement and the number against the proposal is recorded. It is also important that motions to approve a budget and the actions taken be recorded. The minutes should be signed.

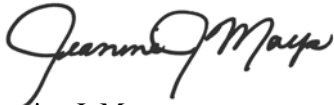
### **Cost Allocation Requirements**

When allocating overhead costs to the grants there must be a systematic or reasonable allocation. This allocation methodology should be in writing and approved by the board of directors.

### **APPRECIATION**

I would like to extend my appreciation to Ken Hasse for his cooperation during my audit.

The accompanying comments and recommendations are intended solely for the information and use of the Audit Committee, Board of Directors, management and others within the organization and should not be used by anyone other than these specified parties.



Jeanine J. Mays  
June 22, 2015

El Dorado County Fire Safe Council  
 Audit Difference Evaluation Form  
 For the Year Ended June 30, 2014

**KNOWN DIFFERENCES**

Item	Amount	Effect	Corrected	Uncorrected	Notify Management	Notify Governance
None						

**LIKELY DIFFERENCES**

Item	Amount	Effect	Corrected	Uncorrected	Notify Management	Notify Governance
Nothing to note						

CONCLUSION: Based on the results of the evaluation performed above, uncorrected audit differences, individually, and in the aggregate, do not cause the financial statements taken as a whole to be materially misstated.