

**Redwood Coast Developmental
Services Corporation**

Ukiah, California

MANAGEMENT COMMENTS LETTER

June 30, 2015



K · C O E
I S O M

To the Board of Directors
Redwood Coast Developmental Services Corporation
Ukiah, California

In planning and performing our audit of the basic financial statements of Redwood Coast Developmental Services Corporation (the Center), a California nonprofit corporation, as of and for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Center's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control over financial reporting.

However, during our audit we became aware of matters that are opportunities for strengthening internal controls and operating efficiency. The following information summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated February 26, 2016.

CURRENT YEAR FINDINGS AND RECOMMENDATIONS

None.

FOLLOW UP TO PRIOR YEAR FINDINGS AND RECOMMENDATIONS

2014-1 – Fixed Asset Tracking

Finding

During the prior year audit, we noted that in our sample of 10 fixed assets selected for control testing that two of the assets tested were not physically located where indicated on the fixed asset listing.

Recommendation

We recommended that the Center review the current location of all fixed assets to ensure the location was up to date. In addition, we recommended that the Center implement a policy instructing all personnel to request approval from management (Controller) before assets were moved to a new location. This would aid management in the tracking of state owned assets and allow management to maintain an up-to-date fixed asset listing.

Status

During our audit of the current year, for all assets selected for testing the asset was in the location expected. Additionally, management performed a physical inventory to ensure all assets and disposals were recorded properly and timely.

2014-2 – Additions and Disposals of Fixed Assets

Finding

During our prior year audit, we noted that in our sample of 10 fixed assets selected for control testing one of the assets on the current listing of fixed assets had been disposed of.

Recommendation

We recommended that the Center review the listing of all fixed assets to ensure it only included assets currently managed by the Center. We also recommended that the Center implement a policy to ensure that assets disposed of were removed from the fixed asset listing on a timely basis.

Status

During our audit of the current year, for all assets selected for testing the asset was in the location expected. Additionally, management performed a physical inventory to ensure all assets and disposals are recorded properly and timely.

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

KCoe Isom, LLP

February 26, 2016
Redding, California