

REDWOOD COAST DEVELOPMENTAL  
SERVICES CORPORATION  
**Ukiah, California**

MANAGEMENT COMMENTS LETTER

**June 30, 2014**



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, 2014, 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 March 5, 2015.

### **CURRENT YEAR FINDINGS AND RECOMMENDATIONS**

#### **2014-1 – Fixed Asset Tracking**

##### *Finding*

During our audit of the current year, 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 recommend that the Center review the current location of all fixed assets to ensure it is up to date. In addition, we recommend that the Center implement a policy instructing all personnel to request approval from management (Controller) before assets are moved to a new location. This will aid management in the tracking of state owned assets and allow management to maintain an up-to-date fixed asset listing.

#### **2014-2 – Additions and Disposals of Fixed Assets**

##### *Finding*

During our audit of the current year, 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 recommend that the Center review the listing of all fixed assets to ensure it only included assets currently managed by the Center. We also recommend that the Center implement a policy to ensure that assets disposed of are removed from the fixed asset listing on a timely basis.

**FOLLOW UP TO PRIOR YEAR FINDINGS AND RECOMMENDATIONS**

None.

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 Jam, LLP*

March 5, 2015  
Redding, California