



Board of Directors  
Yolo Emergency Communications Agency  
Woodland, California

We have audited the financial statements of the governmental activities and the general fund of the Yolo Emergency Communications Agency (YECA) for the fiscal year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 26, 2016. Professional standards also require that we communicate to you the following information related to our audit.

## Significant Audit Findings

### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by YECA are described in Note 1 to the financial statements. As described in Note 1 to the financial statements, YECA established a policy to set aside funds into two designated reserves, the General Reserve and the Capital/Special Projects Reserve, to address unforeseen emergencies or disasters, significant changes in the economic environment, and key infrastructure and capital projects, during the year ended June 30, 2016. This accounting change had no cumulative effect as of the beginning of the year on YECA's financial statements. We noted no transactions entered into by YECA during the fiscal 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 estimates affecting YECA's financial statements were:

- Capital asset lives and depreciation expense
- Other postemployment benefits costs
- Net pension liability, pension expense and related deferred inflows and outflows

### Capital asset lives and depreciation expense

Management's estimate of the expected lives of capital assets impacts the computation of the depreciation expense for the year. We evaluated the estimated useful lives of the capital assets for reasonableness and consistency. The resulting depreciation expense computations were reviewed for reasonableness in relation to the financial statements taken as a whole.

### Other postemployment benefits costs

The actuarial data for other postemployment benefits contained in Note 7 to the basic financial statements and required supplementary information (unaudited) is based on actuarial calculations performed in accordance with the parameters set forth in GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. We reviewed the actuarial specialist's qualifications, actuarial assumptions, and other postemployment benefit data collectively used to calculate the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

### Net pension liability and related deferred inflows and outflows

The net pension liability, pension expense and related deferred inflows and outflows and the actuarial data included in Note 5 and related required supplementary information (unaudited) is based on measurement and actuarial calculations performed in accordance with the parameters set forth in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

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

### *Difficulties Encountered in Performing the Audit*

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

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. 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 each opinion unit's 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 our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of the audit.

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated November 29, 2016.

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

### *Other Audit Findings or Issues*

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

Other Matters

We applied certain limited procedures to the schedule of YECA's proportionate share of the net pension liability, schedule of YECA's pension contributions, schedule of funding progress for other postemployment benefits plan, and schedule of revenues, expenditures, and changes in fund balance – budget and actual – General Fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Restriction on Use

This information is intended solely for the use of the Yolo Emergency Communication Agency's Board of Directors and management of YECA and is not intended to be and should not be used by anyone other than these specified parties.

*Macias Gini & O'Connell LLP*

Sacramento, California

November 29, 2016