November 30, 2015

Board of Manager and Management of,
CIF – Los Angeles City Section
10660 White Oak Avenue, Suite 216
Granada Hills, CA 91344

Board of Managers and Management,

In planning and performing our audit of the financial statements of CIF – Los Angeles City Section (CIF-LACS) 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 CIF-LACS’s internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion of the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Section’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Section’s internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.
We consider the following to be a material weakness in CIF-LAC’s internal control:

**Basis of Accounting: Cash vs. Accrual**

United States Generally Accepted Accounting Principles (GAAP) requires financial statements to be presented using the accrual basis of accounting. At the time of our audit, the Organization maintained its books on a cash basis of accounting. Therefore, the Organization did not record accounts receivable, accounts payable, or accrued expenses and certain revenues and expenses were recorded in the improper periods as a result. SM recommends the Organization maintain books on an accrual basis.

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

Very truly,

![Signature]

Martin Casaus
Los Angeles, California
November 30, 2015