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To the Commissioners and Management
El Dorado County Transportation Commission
Placerville, California

In planning and performing our audit of the financial statements of the El Dorado County Transportation Commission (the Commission) as well as the separate financial statements of the Local Transportation (LTF) and State Transit Assistance Funds (STAF) as of and for the year ended June 30, 2009, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Commission's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Commission's internal control.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

During our audit, we became aware of the following matters that have been included in this letter for your consideration:

General Ledger Maintenance

The Commission contracts with the County of El Dorado Auditor-Controller's Office (County Auditor) to perform the accounting for the Local Transportation Fund and the State Transit Assistance Fund. The accounting performed by the County Auditor is on the cash basis rather than on the accrual basis used in the financial statements and only increases and decreases in each cash account are available. It is recommended that the Commission set up an accounting system to facilitate the preparation of financial statements on the accrual basis of accounting at year end for audit purposes.

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The accounting system maintained at the Commission currently includes two private purpose trust funds and the Commission's proprietary fund. Mechanical adjustments are required to extract the information for audit purposes. It is recommended that the Commission adjust the structure of the accounts to streamline the separation of the individual funds prior to presenting information for audit and that the fund statements be balanced separately.

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

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November 10, 2009