REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors
CSAC Excess Insurance Authority
Folsom, CA

We have audited the financial statements of CSAC Excess Insurance Authority (the “Authority”) as of and for
the fiscal years ended June 30, 2012 and 2011, and have issued our report thereon dated November 13, 2012.
We conducted our audits in accordance with auditing standards generally accepted in the United States of
America and the standards applicable to financial audits contained in Government Auditing Standards, issued by
the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Authority is responsible for establishing and maintaining effective internal control over
financial reporting. In planning and performing our audit, we considered the Authority’s internal control over
financial reporting 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 Authority's
internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the
Authority’s internal control over financial reporting.

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 combination of deficiencies, in internal
control, such that there is a reasonable possibility that a material misstatement of the financial statements will
not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free of material
misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and
grant agreements, noncompliance with which could have a direct and material effect on the determination of
financial statement amounts. However, providing an opinion on compliance with those provisions was not an
objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no
instances of noncompliance or other matters that are required to be reported under Government Auditing
Standards.
This report is intended solely for the information and use of management, the Board of Directors, and others within the Authority and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company
Certified Public Accountants

November 13, 2012