

Village Enterprise Fund, Inc.

Report to Audit Committee and Management

June 30, 2015 and 2014

VILLAGE ENTERPRISE FUND, INC.

**Report to the Audit Committee and the Management
June 30, 2015**

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August 31, 2015

To the Audit Committee and Management
Village Enterprise Fund, Inc.
San Carlos, California

We have audited the financial statements of Village Enterprise Fund, Inc. for the year ended June 30, 2015, and have issued our report thereon dated August 31, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted 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 April 7, 2015. 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 Village Enterprise Fund, Inc. are described in Note 1 to the financial statements. We noted no transactions entered into by Village Enterprise Fund, Inc. during the 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 the financial statements related to estimated value and useful life of depreciable assets, estimates of uncollectible accounts receivable and the functional allocation of expenses. We evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 31, 2015.

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 Village Enterprise Fund, Inc.’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 our retention as Village Enterprise Fund, Inc.’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 Information in Documents Containing Audited Financial Statements

This information is intended solely for the use of the Audit Committee and Management of the Village Enterprise Fund, Inc. and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP

Report on Internal Control Over Financial Reporting

To the Audit Committee and Management
Village Enterprise Fund, Inc.
San Carlos, California

In planning and performing our audit of the financial statements of Village Enterprise Fund (Organization) 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 Organization's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 Organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

In addition, we noted other matters involving internal control and its operation that we have reported to management of Organization in our letter dated August 31, 2015.

This communication is intended solely for the information and use of the Audit Committee of the Board of Directors, management, and others within the Organization, and is not intended to be and should not be used by anyone other than these specified parties.

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP
San Francisco, California
August 31, 2015

To the Audit Committee and Management
Village Enterprise Fund, Inc.
San Carlos, California

In planning and performing our audit of the financial statements of Village Enterprise Fund, Inc. (Organization) for the year ended June 30, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Organization'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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

During our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. We previously reported on the Organization's internal control in a separate report dated August 31, 2015. This letter does not affect our report dated August 31, 2015, on the financial statements of the Organization.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various Organization personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments are summarized as follows:

- The fixed asset and depreciation schedule should be carefully reviewed at year end to ensure formulas calculating depreciation expense are accurate and total expense is reconciled to the general ledger.
- The books were not timely closed before the start of the audit.

We wish to thank the management of the Organization for their support and assistance during our audit.

This report is intended solely for the information and use of management, Audit Committee of the Board of Directors, and others within the Institute and is not intended to be and should not be used by anyone other than these specified parties.

PMB Helin Donovan, LLP

PMB Helin Donovan, LLP
San Francisco, California
August 31, 2015

Appendix I

Account	Description	Debit	Credit
Adjusting Journal Entry JE # 1			
To correctly record depreciation expenses for FY15			
1330	Accumulated Depreciation	4,395.00	
4190	US Expenses:Legal and Accounting:Depreciation		4,395.00
Total		<u>4,395.00</u>	<u>4,395.00</u>
Adjusting Journal Entry JE # 8			
To properly record the currency exchange gain/loss for Kenya & Uganda account			
8801	Field Expenses:Currency Exchange Gain/Loss:Kenya Gain/Loss	833.00	
8802	Field Expenses:Currency Exchange Gain/Loss:Uganda Gain/Loss	2,539.00	
1201	Field Accounts:Kenya Office		833.00
1202	Field Accounts:Uganda Office		2,539.00
Total		<u>3,372.00</u>	<u>3,372.00</u>