

remaining fund information of CAMPBELL UNION SCHOOL DISTRICT for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), 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 May 20, 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 CAMPBELL UNION SCHOOL DISTRICT are described in Note 1 to the financial statements. New accounting principals were adopted during 2016. The implementation of GASB 72, 73, 76 and 79 does not have material impact on the District's financial statement. We noted no transactions entered into by CAMPBELL UNION SCHOOL DISTRICT 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 estimate(s) affecting the Campbell Union School District's financial statements were:

Management's estimates used in: risk management claims liabilities, fair values of investments, depreciation expense, the valuation of capital assets and pension and other postemployment benefit liabilities and disclosures. We evaluated the key factors and assumptions used to develop these estimates in determining that they appeared reasonable in relation to the financial statements taken as a whole.

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

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 CAMPBELL UNION SCHOOL DISTRICT’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 CAMPBELL UNION SCHOOL DISTRICT’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 General Fund-Budgetary Comparison Schedule, Schedule of Other Postemployment Benefits (OPEB) Funding Progress, Schedule of the District’s Proportionate Share of the Net Pension Liability and Schedule of District Contributions, 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.

We were engaged to report on Schedule of Expenditures of Federal Awards, Local Education Agency Organization Structure, Schedule of Average Daily Attendance, Schedule of Instructional Time, Reconciliation of Annual Financial and Budget Report With Audited Financial Statements, Schedule of Financial Trends and

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