



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

VALUE THE DIFFERENCE

To the Board of Trustees and
The Citizens Oversight Committee
Of the Fremont Unified School District

We have audited the financial statements of the Measure E bond funds, of Fremont Unified 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, *Government 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 October 4, 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 the Fremont Unified School District Measure E Fund are described in Note 1 to the financial statements. The Fremont Unified School District Measure E Fund implemented GASB 72, disclosure of fair market values for recurring assets and liabilities in 2015-16. No other new accounting policies were adopted and the application of existing policies was not changed during 2015-16. We noted no transactions entered into by the governmental unit 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 affecting the Measure E bond fund financial statements was the allocation of salaries for project management and oversight.

Management's estimate of the salary allocations are based on analysis of the job duties of the individuals involved. We evaluated the key factors and assumptions used to develop the allocation percentages in determining that it is reasonable in relation to the financial statements taken as a whole.

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

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.