



To the Board of Trustees  
Foothill-De Anza Community College District

We have audited the financial statements of the business-type activities of Foothill-De Anza Community College District for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), 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 26, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practice*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Foothill-De Anza Community College District are described in Note 1 to the financial statements. The District implemented GASB 68 and 71 provisions related to pension liabilities and deferred inflows and deferred outflows in the current year, which resulted in a restatement of net position of \$167,447,955. No other new accounting policies were adopted and the application of existing policies was not changed during 2014-15. 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 estimates affecting the financial statements were the calculation of Net Pension Liabilities, Other Post Employment Benefits (OPEB) and the calculation of Self Insurance liabilities (Claims liabilities).

Management's estimate of the Net Pension Liabilities, OPEB and Claims liabilities are based on information provided from STRS and PERS and actuary studies performed for the District. We evaluated the key factors and assumptions used to develop the net pension liability, OPEB and claims liabilities 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 Misstatement*

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. No such misstatements were noted.

*Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 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 the governmental unit'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 the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Vavinek, Trine, Day & Co LLP*

Pleasanton, California  
December 31, 2015