



To the Board of Trustees and Management
of the Davis Cemetery District
Davis, California

We have audited the financial statements of the governmental activities and each major fund of the Davis Cemetery District (the District) for the years ended June 30, 2013, 2014 and 2015. 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 February 16, 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 Davis Cemetery District are described in Note 1 to the financial statements. As described in Note 1 the District adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 63, *Financial Reporting of Deferred Outflows of Resource, Deferred Inflows of Resources, and Net Position*, effective July 1, 2013, Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB 27*, and Statement No. 71, *Pension Transition for Contributions Made subsequent to the Measurement Date – an Amendment of GASB No. 68*, effective July 1, 2014. We noted no transactions entered into by the 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 District’s financial statements was depreciation of capital assets. Management’s estimate of the depreciation of capital assets is based on useful lives of the related capital assets. We evaluated the key factors and assumptions used to develop the depreciation estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure(s) affecting the financial statements was:

The disclosure of the District defined benefit pension plan, net pension liability, and related deferred inflows of resources and deferred outflows of resource in Note 6 to the June 30, 2015 financial statements. The valuation of the net pension liability and related deferred outflows/inflows of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate.

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

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 clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, the attached summary of uncorrected misstatements summarize misstatements detected as a result of audit procedures and not corrected by management were not material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 August 8, 2016.

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 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 the 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 the schedule of the District's proportionate share of the net pension liability, schedule of contributions, and budgetary comparison schedules for the general fund, 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.

Restriction on Use

This information is intended solely for the information and use of the Board of Trustees and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
August 8, 2016

**DAVIS CEMETERY DISTRICT
SCHEDULE OF UNCORRECTED MISTATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

Number	Fund	Account Description	Debit	Credit
1	General Fund	Utilities Expense Accounts Payable <i>(To record the expense in the correct period)</i>	\$ 2,112	\$ 2,112
1	General Fund	Accounts Payable Utilities Expense <i>(To remove prior year utilities expense accrual)</i>	\$ 1,037	\$ 1,037