



Unified School District

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December 9, 2019

Crowe LLP
400 Capitol Mall, Suite 1400
Sacramento, California

Ladies and Gentlemen:

We are providing this letter in connection with your audit of the financial statements of Elk Grove Unified School District General Obligation Bonds Activity included in the Measure M General Obligation Bond Fund of the District (the "Bond Fund") as of June 30, 2019 and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the respective financial position of the Bond Fund information of Elk Grove Unified School District and the respective changes in financial position in conformity with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

Except where otherwise stated below, immaterial matters less than \$315,000 collectively are not considered to be exceptions that require disclosure for the purpose of the following representations. This amount is not necessarily indicative of amounts that would require adjustment to or disclosure in the financial statements.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit:

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated February 12, 2019 for the preparation and fair presentation of the previously mentioned financial statements in conformity with accounting principles generally accepted in the United States, and we believe the financial statements are fairly presented and include all properly classified funds and other

financial information of the primary government required by generally accepted accounting principles in the United States to be included in the financial reporting entity.

2. We are responsible for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
3. We have provided you --
 - a. Access to all financial records, documentation and other information that is relevant to the preparation and fair presentation of the financial statements.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of the citizens bond oversight committee or summaries of actions of recent meetings for which minutes have not yet been prepared.
 - e. Results of the assessment of risk that the financial statements may be materially misstated as a result of fraud.
4. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
5. We have no plans or intentions that might materially affect the carrying value or classification of assets and liabilities.

6. Except as disclosed in the financial statements, or directly to you, there are or have been no material:
 - a. Related party transactions, including those with the primary government having accountability for Elk Grove Unified School District Measure M General Obligation Bonds, component units for which Elk Grove Unified School District Measure M General Obligation Bonds is accountable, other organizations for which the nature and significance of their relationship with Elk Grove Unified School District Measure M General Obligation Bonds are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, joint ventures in which Elk Grove Unified School District Measure M General Obligation Bonds has an interest, and jointly governed organizations in which Elk Grove Unified School District Measure M General Obligation Bonds participates, all as defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, and interfund transactions, including interfund accounts and advances receivable and payable, sale and purchase transactions, interfund transfers, long-term loans, leasing arrangements and guarantees, all of which have been recorded in accordance with the economic substance of the transaction and appropriately classified and reported.
 - b. Arrangements, either written or oral, with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements.
 - c. Oral or written guarantees under which the entity is contingently liable.
 - d. Other financial instruments with significant "off-balance-sheet" risk of accounting loss to which the entity is a party.
 - e. Concentrations that make the entity vulnerable to the risk of a severe impact within one year from the balance sheet date (including, for example, individual or group concentrations of customers, suppliers, lenders, products, services, sources of labor or materials, licenses or other rights, operating areas or markets).
 - f. Significant accounting estimates that are susceptible to changing materially as a result of an event or change in conditions that is reasonably possible of occurrence within one year from the balance sheet date.

- g. Liens, encumbrances or other title impairments, such as pledges as collateral, on entity assets at the balance sheet date.
 - h. Restrictions under borrowing agreements.
 - i. Unrecorded transactions.
 - j. Significant events that have occurred subsequent to the balance sheet date through the date of this letter that would require adjustment to, or disclosure in, the financial statements.
7. We have disclosed to you all known actual or possible litigation, claims and assessments whose effects should be considered by management when preparing the financial statements. These matters have been accounted for and disclosed in conformity with accounting principles generally accepted in the United States and GASB 62. We have not consulted with or been represented by legal counsel during the period audited to the date of this letter regarding any litigation, claims, or assessments, asserted or unasserted.
8. Related parties and all related party relationships and transactions, and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees, have been disclosed to you, and have been appropriately accounted for and disclosed in the financial statements in accordance with the requirements of accounting principles generally accepted in the United States.
9. Except as disclosed to you, we have no knowledge of any fraud or suspected fraud affecting the entity involving:
- a. Management, whether material or not.
 - b. Employees who have significant roles in internal control, whether material or not.
 - c. Others when the fraud could have a material effect on the financial statements.
10. Except as disclosed to you, we have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, or others.

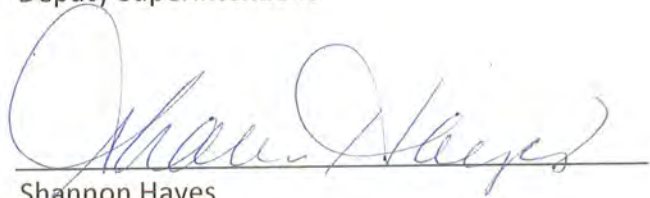
11. Except as disclosed to you, there have been no:
 - a. Instances of non-compliance or suspected non-compliance with budget ordinances, laws or regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered when preparing the financial statements.
 - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB 62.
 - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
 - d. Reservations or designations of fund equity that were not properly authorized and approved.
12. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
13. During the course of your audit, we have provided to you physical or electronic copies of various original documents. We understand that you are relying on such copies as audit evidence in your audit and represent that copies provided are an accurate and completed representation of the original documentation and that the copies have not been modified from their original version.
14. The financial statements include all component units that meet the criteria of financial accountability or which are otherwise considered misleading to exclude, the classification of these component units as discretely presented or blended is appropriate, and the relationships and criteria for inclusion are properly disclosed.
15. The financial statements include all joint ventures with an equity interests and properly disclose these joint ventures and other related organizations.
16. The financial statements properly classify all funds and activities.
17. With respect to the audit in accordance with *Government Auditing Standards*:
 - a. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the Elk Grove Unified School District Measure M.

- b. We have identified and disclosed to you all instances that have occurred or **are** likely to have occurred, of noncompliance with provisions of laws and regulations **that** have a material effect on the determination of financial statement amounts, and that warrant the attention of those charged with governance.
- c. We have identified and disclosed to you all instances that have occurred or **are** likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
- d. We have identified and disclosed to you all instances that have occurred or **are** likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements.
- e. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, and contracts, or abuse that the auditor reports.
- f. We have a process to track the status of audit findings and recommendations.
- g. If applicable, we have identified for you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- h. We have provided views on the reported findings, conclusions, and recommendations, as well as management's planned corrective actions, for the report.
- i. We have reviewed, approved, and are responsible for overseeing the preparation and completion of the basic financial statements and related notes. In regards to the following non-audit services performed by you: Financial Statement Preparation and Recordkeeping Assistance, we acknowledge the following:
 - we assume all management responsibilities for these services;
 - we oversaw these services by designating an individual within senior management who possessed suitable skill, knowledge, or experience;
 - we have evaluated the adequacy and results of the services performed;
 - we accept responsibility for the results of these services

18. Interfund, internal, and intra-entity activity and balances have been properly classified and reported.
19. Special and extraordinary items are properly classified and reported.
20. Deposits and investment securities are properly classified in category of custodial credit risk.
21. All suggested adjusting journal entries, as discussed and approved, will be recorded in the accounting records.
22. We understand that you have assisted us with the preparation of our financial statements and footnotes and we have reviewed and approved the financial statements and footnotes and take full responsibility for them.



Robert Pierce
Deputy Superintendent



Shannon Hayes
Chief Financial Officer