

WHITTIER UNION HIGH SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
(MEASURE W, NOVEMBER 2008)
PERFORMANCE AUDIT

Fiscal Year Ending June 30, 2013

WHITTIER UNION HIGH SCHOOL DISTRICT
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June 30, 2013

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INDEPENDENT AUDITOR'S REPORT

The Board of Education
The Citizens' Oversight Committee
Whittier Union High School District
9401 S. Painter Avenue
Whittier, CA 90605

We have conducted a performance audit of the Whittier Union High School District (the "District"), Measure W General Obligation Bond funds for the fiscal year ended June 30, 2013.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page three of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure W General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and certain provisions of Sections 15264 and 15272 – 15286 of the California Education Code. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of the District to determine if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution and certain provisions of Sections 15264 and 15272 – 15286 of the California Education Code. Accordingly, we do not express any assurance on internal control.

The results of our tests indicated that for the year ended June 30, 2013 the District complied, in all significant respects, with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution and certain provisions of Sections 15264 and 15272 – 15286 of the California Education Code.

Vicenti, Lloyd & Stutzman LLP
VICENTI, LLOYD & STUTZMAN LLP
Glendora, CA
November 26, 2013

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BACKGROUND INFORMATION

In November 2000 the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges, under certain circumstances and subject to certain conditions. On November 4, 2008, a general obligation bond proposition (Measure W) of the Whittier Union High School District was approved by the voters of the District. Measure W authorized the District to issue up to \$75,000,000 of general obligation bonds to finance various capital projects, and related costs, as specified in the bond measure provisions of Measure W.

Pursuant to the requirements of Proposition 39, and related state legislation, the Board of Education of the District established a Citizens' Oversight Committee and appointed its members. The principal purpose of the Citizens' Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure W bond authorization. The Citizens' Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Measure W Bond Building Fund have been expended only for the authorized bond projects. Consistent with this provision, Section 15286 of the California Education Code requires the performance audit to be conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States and be submitted to the Citizens' Oversight Committee by March 31 of each year.

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OBJECTIVES

The objectives of our performance audit were to:

- Obtain documentation for the expenditures charged to the Whittier Union High School District Measure W Bond Building Fund.
- Determine whether expenditures charged to the Measure W Bond Building Fund, have been made in accordance with the bond project list approved by the voters through the approval of Measure W on November 4, 2008.
- Note incongruities, system weaknesses, or non-compliance with specific California Education Code sections related to bond oversight and provide recommendations for improvement.
- Provide the District Board and the Citizens' Oversight Committee with a performance audit as required under the requirements of the California Constitution and Proposition 39.

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal period from July 1, 2012 to June 30, 2013. Our sample selection considered object and project codes associated with the bond projects. However, not all planned projects incurred expenditures in the current year and not all projects with expenditures were tested. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2013, were not reviewed or included within the scope of our audit or in this report.

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PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2013 for the Measure W Bond Building Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and Measure W with regards to the approved bond projects list and performed the following procedures:

- We reviewed the projects listed to be funded with general obligation bond proceeds as set out in the Measure W election documents.
- We selected a sample of expenditures and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects.

The District expended \$6,166,068 of Measure W funds for the fiscal year ended June 30, 2013. We selected a sample of expenditures totaling \$4,962,199 which is 80.49% of expenditures.

<u>Project No.</u>	<u>Project Name</u>	<u>Amount Tested</u>	<u>Description of Expenditures Tested</u>
91211	Whittier High School Auditorium HVAC Project	\$ 54,283	Architectural services and construction costs
91229	Whittier High School Play Field Equipment and Modernization Project	1,568,467	Construction costs
93001	California High School ADA/Bathrooms and Classroom Modernization Project	1,209,317	Construction costs
93432	California High School New Construction Stadium	210,217	Construction costs
94229	Santa Fe High School Athletic Fields - Landscape	1,304	Equipment costs
94602	Pioneer High School New Construction Science Building	486,018	Furnishing and equipment costs
96020	Pioneer High School Vocational/Technical Classrooms	6,270	Architectural service costs
96142	Pioneer High School Solar Power Project	264,536	Construction and solar costs
96432	Pioneer High School New Construction Stadium	376,082	Architectural services costs and construction costs
97433	La Serna High School New Athletic Field Classroom Building Project	785,705	Construction costs
	Total Amount Tested	<u>\$ 4,962,199</u>	

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PROCEDURES PERFORMED (continued)

- We verified, on a sample basis, that funds from the Measure W Bond Building Fund were generally expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects and we verified that funds held in the Measure W Bond Building Fund were not used for salaries of school administrators or other operating expenses of the District.

- We reviewed documentation, including the Whittier Union High School District's website, to verify compliance with certain bond oversight requirements of the California Education Code, including the membership make-up of the Citizens' Oversight Committee, publication of committee proceedings, and the issuance of an annual report to the public.

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CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures of the funds held in the Measure W Bond Building Fund and that such expenditures were made on authorized bond projects. Further, it was noted that the funds held in the Measure W Bond Building Fund and expended by the District were not expended for salaries of school administrators or other operating expenditures.

In addition, the results of our tests indicated that, in all significant respects, the District complied with the applicable California Education Code requirements for which the purpose of a Citizens' Oversight Committee is established.