

Whittier Union High School District

**PROPOSITION 39 GENERAL OBLIGATION BONDS
(MEASURE W, NOVEMBER 2008)
FINANCIAL AND PERFORMANCE AUDITS**

For the Fiscal Year Ended June 30, 2017

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

**June 30, 2017
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FINANCIAL AUDIT

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Citizens' Oversight Committee
Whittier Union High School District
Whittier, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measure W Bond Building Fund of the Whittier Union High School District (the District) as of and for the year ended June 30, 2017, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Citizens' Oversight Committee
Whittier Union High School District
Whittier, California

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure W Bond Building Fund of the District as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present fairly only the Measure W Bond Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2017 or the change in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the fund financial statements. Such missing information, although not a part of the fund financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the fund financial statements is not affected by this missing information.

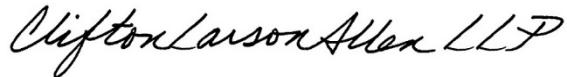
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2017 on our consideration of the District's internal control over the Measure W Bond Building Fund financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over the Measure W Bond Building Fund financial reporting or on compliance.

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Citizens' Oversight Committee
Whittier Union High School District
Whittier, California

That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over the Measure W Bond Building Fund financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP
Glendora, California
December 8, 2017

WHITTIER UNION HIGH SCHOOL DISTRICT

**BALANCE SHEET
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
June 30, 2017**

Assets

Cash in county treasury	\$ 7,740,502
Accounts receivable	40,312
Total Assets	\$ 7,780,814

Liabilities and Fund Balance

Liabilities

Accounts payable	\$ 1,070,202
Total Liabilities	1,070,202

Fund Balance

Restricted	6,710,612
Total Fund Balance	6,710,612
Total Liabilities and Fund Balance	\$ 7,780,814

See accompanying notes to the financial statements.

WHITTIER UNION HIGH SCHOOL DISTRICT

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
For the Fiscal Year Ended June 30, 2017**

Revenues

Interest income \$ 92,880

Total Revenues 92,880

Expenditures

Professional/consulting services and other expenditures 21,170

Capital outlay 3,020,500

Total Expenditures 3,041,670

Net change in fund balance (2,948,790)

Fund Balance at Beginning of Year 9,659,402

Fund Balance at End of Year \$ 6,710,612

See accompanying notes to the financial statements.

WHITTIER UNION HIGH SCHOOL DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Cash in the County Treasury is recorded at cost, which approximates fair value.

Financial Reporting Entity

The financial statements include only the Measure W Bond Building Fund of the District used to account for Measure W projects. This fund was established to account for the expenditures of the general obligation bonds issued under the General Obligation Bonds Election of 2008 and is not a complete representation of the Building Fund reported in the Districts' financial statements. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Fund Structure

The Statement of Revenues, Expenditures and Change in Fund Balance is a statement of financial activities of the Measure W Bond Building Fund related to the current reporting period. Expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, this statement does not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

Basis of Accounting

The Measure W Bond Building Fund of the District is maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a

WHITTIER UNION HIGH SCHOOL DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. The classifications available in governmental fund financial statements are nonspendable, restricted, committed, assigned and unassigned. The fund balance of the Measure W Bond Building Fund is restricted as described below:

Restricted

Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Measure W Bond Building Fund are determined by its measurement focus. The fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with Measure W Bond Building Fund are accounted for in the basic financial statements of the District and disclosed in these financial statements in Note 4, but are not reported as debt in these financial statements.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: DEPOSITS – CASH IN COUNTY TREASURY

In accordance with Education Code Section 41001, the District maintains all of the Measure W Bond Building Fund cash in the Los Angeles County Treasury as part of the common investment pool. These pooled funds are carried at amortized cost which may differ from fair value. The fair market value of the District’s deposits for the Measure W Bond Building Fund in this pool as of June 30, 2017, as provided by the pool sponsor was approximately 99.405% of cost. The District’s deposits in the fund are considered highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code

WHITTIER UNION HIGH SCHOOL DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 2: DEPOSITS – CASH IN COUNTY TREASURY

Sections 53534, 53601, 53635 and 53648. The county is restricted to invest time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the County are either secured by federal depository insurance or are collateralized. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statutes and the County Board of Supervisors set forth the various investment policies that the County Treasurer follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the Los Angeles County Public Affairs Office, Kenneth Hahn Hall of Administration, 500 W. Temple St, Room 358, Los Angeles, CA 90012.

NOTE 3: PURCHASE COMMITMENTS

As of June 30, 2017, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling \$5,116,395 to be funded with bond proceeds.

NOTE 4: BONDED DEBT

On November 4, 2008, \$75 million in general obligation bonds were authorized by an election held within the Whittier Union High School District. The bonds were authorized to finance new construction and additions to and modernization of school facilities for the District.

On September 22, 2009, the District offered for sale \$38,001,949 in general obligation bonds. The bonds were issued as Current Interest Bonds in the aggregate principal amount of \$735,000 and as Capital Appreciation Bonds in aggregate principal amount of \$37,266,949.

The Capital Appreciation Bonds were issued with maturity dates of August 1, 2013 through August 1, 2034. Prior to the applicable maturity date, each bond will accrete interest on the principal component. At June 30, 2017, \$20,854,311 in accreted interest, net of payments, has been accrued and included in long-term debt.

On February 27, 2014, the District offered for sale \$18,000,000 in general obligation bonds. The

WHITTIER UNION HIGH SCHOOL DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 4: BONDED DEBT

bonds were issued as Current Interest Bonds.

On November 24, 2015, the District offered for sale \$18,995,000 in general obligation bonds. The bonds were issued as Current Interest Bonds.

The District issued for sale \$65,658,679 of General Obligation Refunding Bonds (2019 Crossover Bonds) on November 1, 2016. The bonds were issued as \$6,665,000 in Current Interest Bonds and \$58,993,679 in Capital Appreciation Bonds. The bonds mature beginning August 1, 2024 with final maturity on August 1, 2034. The bonds were sold to advance refund, on the crossover date of August 1, 2019, certain outstanding maturities of the District's General Obligation Bonds, 2008 Election, Series 2009A and to pay related costs of issuance. Prior to August 1, 2019 the proceeds of the 2019 Crossover Bonds will remain deposited in an escrow fund account and will be invested in certain federal securities that will provide for the payment of interest on the bonds through the crossover date. On the crossover date, funds on deposit with the fiscal agent will be applied to the redemption of the 2009A Series Bonds. The difference in cash flow requirements will amount to a savings of \$29,001,712. The present value of the economic gain to the District will amount to \$20,155,244.

The outstanding related bonded debt for the District at June 30, 2017 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2016	Issued Current Year	Principal	
							Payment Current Year	Outstanding June 30, 2017
Series 2009A Bond	9/22/2009	8/1/13-8/1/34	3.25-12.00	\$ 38,001,949	\$ 37,923,592	\$	\$ 75,000	\$ 37,848,592
Series 2014B Bond	2/27/2014	8/1/15-8/1/23	2.00-4.00	18,000,000	16,160,000		1,990,000	14,170,000
Series 2015C Bond	11/24/2015	8/1/17-8/1/23	2.00-4.00	18,995,000	18,995,000			18,995,000
2016 Refunding Bond	11/1/2016	8/1/24-8/1/34	1.97-3.32	<u>65,658,679</u>		<u>65,658,679</u>		<u>65,658,679</u>
Total				<u>\$ 140,655,628</u>	<u>\$ 73,078,592</u>	<u>\$ 65,658,679</u>	<u>\$ 2,065,000</u>	<u>\$ 136,672,271</u>

WHITTIER UNION HIGH SCHOOL DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2017**

NOTE 4: BONDED DEBT

The annual requirements to amortize bonds payable, outstanding as of June 30, 2017, is as follows:

Year Ending June 30,	Principal	Accreted Interest Component	Interest	Total
2018	\$ 4,280,000	\$	\$ 1,171,695	\$ 5,451,695
2019	4,480,000		1,107,831	5,587,831
2020	4,395,000		1,001,275	5,396,275
2021	4,623,912	81,088	885,800	5,590,800
2022	5,004,137	100,863	702,000	5,807,000
2023-2027	42,371,780	20,253,221	989,156	63,614,157
2028-2032	47,242,141	53,534,325		100,776,466
2033-2035	24,275,301	43,184,093		67,459,394
Total	<u>\$ 136,672,271</u>	<u>\$ 117,153,590</u>	<u>\$ 5,857,757</u>	<u>\$ 259,683,618</u>

The payment of debt related to the Measure W general obligation bonds is accounted for in the District's Bond Interest and Redemption Fund which is part of the District's basic financial statements. The recognition of premiums and accrued interest on bonds is recorded as long-term liabilities in the basic financial statements of the District. Issuance costs are expensed in the year incurred.

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Board of Trustees
The Citizens’ Oversight Committee
Whittier Union High School District
Whittier, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Measure W Bond Building Fund of the Whittier Union High School District (the District), as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements and have issued our report thereon dated December 8, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did

**INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District’s Measure W Bond Building Fund financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



CliftonLarsonAllen LLP
Glendora, California
December 8, 2017

WHITTIER UNION HIGH SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2017

There were no findings related to the financial audit of the Measure W Bond Building Fund for the year ended June 30, 2017.

WHITTIER UNION HIGH SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE W BOND BUILDING FUND
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
June 30, 2017

2016-001 Excess of Expenditures Over Appropriations

Finding: During a review of budget to actual expenditures for the Measure W Bond Construction Fund, it was noted that actual expenditures for capital outlay exceeded budget by \$3,652,734. Per discussion with District personnel, excess of expenditure over appropriations reflects a combination of new projects not budgeted and over expenditure in existing budgeted projects. The District did not revise the budget due to lack of careful oversight by the Director of Business Operations in monitoring the Fund 21 budget and requesting a budget revision by the Board of Trustees.

Recommendation: Develop procedures to closely monitor and revise budgets to ensure actual expenditures are in-line with budgeted amounts. Severe deviations or overages should be investigated immediately and the budget be revised or adjusted accordingly.

Current Status: Implemented.

PERFORMANCE AUDIT



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Citizens' Oversight Committee
Whittier Union High School District
Whittier, California

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, 2017.

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 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 18 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure W General Obligation Bonds under Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the Bonds and the net proceeds thereof. 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. Accordingly, we do not express any assurance on internal control.

The results of our tests indicated that, in all significant respects, the District expended Measure W General Obligation Bond funds for the year ended June 30, 2017 only for the specific projects developed by the District's Board of Trustees and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

A handwritten signature in black ink that reads 'CliftonLarsonAllen LLP'.

CliftonLarsonAllen LLP
Glendora, California
December 8, 2017

WHITTIER UNION HIGH SCHOOL DISTRICT

PROPOSITION 39 GENERAL OBLIGATION BONDS (MEASURE W, NOVEMBER 2008) PERFORMANCE AUDIT June 30, 2017

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 (the 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 Trustees 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.

OBJECTIVES

The objectives of our Performance Audit were to:

- Determine the expenditures charged to the 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 in November 2008.

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal period from July 1, 2016 to June 30, 2017. 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, 2017, were not reviewed or included within the scope of our audit or in this report.

WHITTIER UNION HIGH SCHOOL DISTRICT

**PROPOSITION 39 GENERAL OBLIGATION BONDS
(MEASURE W, NOVEMBER 2008)
PERFORMANCE AUDIT
June 30, 2017**

PROCEDURES PERFORMED

- We identified the expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
- We selected a judgmental sample of expenditures considering all object codes and projects for the year ended June 30, 2017. Our sample included 34 transactions totaling \$2,663,236. This represents 88% of total expenditures of \$3,041,670.
- We reviewed the actual invoices and supporting documentation to determine that expenditures charged to projects were:
 - Supported by invoices with evidence of proper approval and documentation of receipt of goods or services;
 - Supported by proper bid documentation, as applicable;
 - Properly expended on the authorized bond projects as listed on the voter-approved bond project list.

<u>Project No.</u>	<u>Project Name</u>	<u>Amount Tested</u>	<u>Description of Expenditures Tested</u>
91038	Whittier High School Building F	\$ 266,322	Gym HVAC upgrade
91211	Whittier High School Auditorium	25,549	HVAC upgrade and organ installation
93432	California High School New Stadium	643,947	Construction costs for the high school stadium
94061	Santa Fe High School Building O	606,886	Band room modernization
94922	Santa Fe High School Building GH	126,196	Admin modernization
96432	Pioneer High School New Stadium	57,141	Construction costs for the high school stadium
97024	La Serna High School Stadium	987	Gym HVAC upgrade
97229	La Serna High School Athletic Field	936,209	Construction costs for athletic field upgrade
	Total amount tested	<u>\$ 2,663,237</u>	

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.