

**MEASURES "S" AND "A" GENERAL OBLIGATION
BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2017**



**MEASURES “S” AND “A” GENERAL OBLIGATION BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT**

For the Fiscal Year Ended June 30, 2017

Table of Contents

FINANCIAL SECTION

	<u>Page</u>
Independent Auditors' Report	1
Basic Financial Statements:	
Balance Sheet	3
Statement of Revenues, Expenditures, and Changes in Fund Balances	4
Notes to Financial Statements	5

SUPPLEMENTARY INFORMATION

Statement of Cash Flows	9
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OTHER INDEPENDENT AUDITORS' REPORTS

Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	10
Independent Auditors' Report on Performance	12

FINDINGS AND RESPONSES

Schedule of Audit Findings and Responses	14
Summary Schedule of Prior Audit Findings	15

Financial Section



INDEPENDENT AUDITORS' REPORT

To the Governing Board and
Measures "S" and "A" Bond Oversight Committee
San Gabriel Unified School District
San Gabriel, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Measures "S" and "A" General Obligation Bond Building Fund of San Gabriel Unified School District, as of and for the fiscal years ended June 30, 2017 and 2016, 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.

Auditors' 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 audit 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.

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 financial position of the Measures "S" and "A" General Obligation Bond Building Fund of San Gabriel Unified School District, as of June 30, 2017 and 2016, and the changes in financial position thereof for the fiscal years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

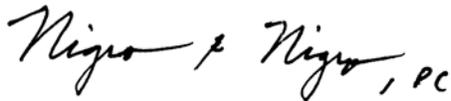
Our audit was conducted for the purpose of forming opinions on the financial statements that comprise Measures "S" and "A" General Obligation Bond Building Fund of San Gabriel Unified School District's financial statements as a whole. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Measures "S" and "A" General Obligation Bond Building Fund and do not purport to, and do not, present fairly the financial position of the San Gabriel Unified School District, as of June 30, 2017, the changes in its financial position, or, where applicable, its cash flows 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2017, on our consideration of the District's internal control over 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California
October 20, 2017

**MEASURES "S" AND "A" GENERAL OBLIGATION BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT**

Balance Sheet

June 30, 2017 and 2016

	2017			2016
	Measure "S"	Measure "A"	Total	
ASSETS				
Cash	\$ 4,133,829	\$ 14,577,344	\$ 18,711,173	\$ 22,654,726
Accounts receivable	-	100,451	100,451	73,556
Total Assets	<u>\$ 4,133,829</u>	<u>\$ 14,677,795</u>	<u>\$ 18,811,624</u>	<u>\$ 22,728,282</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ 1,040,171	\$ 1,040,171	\$ 244,515
Fund Balances				
Restricted for capital projects	<u>4,133,829</u>	<u>13,637,624</u>	<u>17,771,453</u>	<u>22,483,767</u>
Total Liabilities and Fund Balances	<u>\$ 4,133,829</u>	<u>\$ 14,677,795</u>	<u>\$ 18,811,624</u>	<u>\$ 22,728,282</u>

**MEASURES "S" AND "A" GENERAL OBLIGATION BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT**

*Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Years Ended June 30, 2017 and 2016*

	2017			2016
	Measure "S"	Measure "A"	Total	
REVENUES				
Interest earnings	\$ 37,454	\$ 189,949	\$ 227,403	\$ 192,535
EXPENDITURES				
Current:				
Plant services:				
Classified salaries & benefits	-	160,845	160,845	156,444
Materials & supplies	-	536,531	536,531	502,078
Services	-	78,693	78,693	134,992
Capital outlay	-	4,163,648	4,163,648	3,150,943
Total Expenditures	-	4,939,717	4,939,717	3,944,457
Net Change in Fund Balances	37,454	(4,749,768)	(4,712,314)	(3,751,922)
Fund Balances, Beginning of Year	4,096,375	18,387,392	22,483,767	26,235,689
Fund Balances, End of Year	\$ 4,133,829	\$ 13,637,624	\$ 17,771,453	\$ 22,483,767

MEASURES "S" AND "A" GENERAL OBLIGATION BOND BUILDING FUND OF SAN GABRIEL UNIFIED SCHOOL DISTRICT

Notes to Financial Statements

June 30, 2017

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The District voters authorized the issuance of two General Obligation Bonds. The first bond issuance was authorized on March 5, 2002 for \$46,045,000 under the Measure "S" bond election. The purpose of the Measure "S" bond funds is for constructing, reconstructing, rehabilitating and replacing school facilities, including the furnishing and equipping of school facilities, and the acquisition or leasing of real property for school facilities.

The second bond was authorized on February 5, 2008, under the Measure "A" election. The voters authorized the District to issue up to \$65,075,000. The proceeds of the bonds are being used to finance construction, modernization of facilities, furnishing and equipping school facilities and upgrading of technology.

Both bonds passed under the provisions of Proposition 39. To comply with the requirements, an oversight committee must be established to ensure that the school bond funds are invested as voters intended. The District's Governing Board expanded the duties of the existing Long Range Facilities Master Plan Committee to include the oversight responsibilities. The Committee was established in 1998 to provide recommendations to the Governing Board. The Committee's oversight goals include: advising on bond construction priorities, reviewing school bond construction plans, verifying that project plans are in alignment with the budget, and ensuring compliance with conditions of Measure "S" and Measure "A" bond authorizations.

The bond proceeds and uses are accounted for in the District's Bond Building Fund. The statements presented are for the individual Measures "S" and "A" General Obligation Bond Building Fund and are not intended to be a complete presentation of the District's financial position or results of operations.

During 2015-16, the District changed the way it tracked Measures "S" and "A". Previously, the District used separate sub-funds, but is now using unique resource codes to track the Measures separately.

B. Accounting Policies

The San Gabriel Unified School District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements of Measures "S" and "A" and Election 2008 General Obligation Bond Building Fund are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due in the District's Bond Interest and Redemption Fund.

**MEASURES "S" AND "A" GENERAL OBLIGATION BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2017

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

E. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH

Cash at June 30, 2017 and 2016, is reported at fair value and consisted of the following:

	<u>2017</u>	<u>2016</u>
Pooled Funds:		
Cash in County Treasury	<u>\$ 18,711,173</u>	<u>\$ 22,654,726</u>

Pooled Funds

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2017 and 2016, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable in the amount of \$100,451 and \$73,556 represent amounts due from the Los Angeles County Treasurer for interest earnings for the quarters ended June 30, 2017 and 2016, respectively. This increase is due to higher fourth quarter interest receivable.

**MEASURES “S” AND “A” GENERAL OBLIGATION BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2017

NOTE 4 – GENERAL OBLIGATION BONDS

Election of 2002 – Measure “S”

An election of the registered voters of the District was held on March 5, 2002, of which more than 55 percent of the persons voting on the proposition voted to authorize the issuance and sale of \$46,045,000 principal amount of general obligation bonds. The bonds are being issued to renovate and modernize school facilities.

Election of 2008 – Measure “A”

On February 5, 2008, District voters authorized the District to issue up to \$65,075,000 general obligation bonds by more than fifty-five percent of the vote. The proceeds of the bonds are being used to finance construction and modernization of facilities.

Refunding Bonds

The District issued refunding bonds to refinance previously issued general obligation bonds. The net proceeds of the refunding bonds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refunded bonds are considered to be defeased, and the related liability for the bonds has been removed from the District’s liabilities. Amounts paid to the refunded bond escrow agent in excess of the outstanding debt at the time of payment are recorded as deferred amounts on refunding on the statement of net position and are amortized to interest expense over the life of the liability. As of June 30, 2017, the principal balance outstanding on the defeased debt amounted to \$36,600,000.

The general obligation bonds issued as of June 30, 2017, were as follows:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2016	Deductions	Balance, June 30, 2017
Measure S (2002)							
Series A	6/12/2002	2/1/2027	3.0% - 5.375%	\$ 28,432,600	\$ 1,112,600	\$ -	\$ 1,112,600
Series B	11/18/2004	8/1/2029	2.5% - 4.625%	6,778,892	2,308,892	-	2,308,892
Series C	7/10/2007	8/1/2032	3.75% - 4.75%	10,832,878	5,357,878	175,000	5,182,878
Measure A (2008)							
Series A	8/12/2008	8/1/2033	3.0% - 5.5%	20,548,245	1,658,245	50,000	1,608,245
Series B	5/8/2012	8/1/2037	2.0% - 5.97%	16,003,464	13,178,464	825,000	12,353,464
Series C	12/19/2013	8/1/2041	4.75%-5.35%	22,997,960	22,997,960	-	22,997,960
Refunding Issues							
2012 Ref.	3/22/2012	8/1/2024	2.0% - 4.5%	6,475,000	6,380,000	145,000	6,235,000
2012 Ref. B	5/8/2012	8/1/2025	2.0% - 3.25%	2,840,000	2,385,000	165,000	2,220,000
2015 Ref. A	10/22/2015	8/1/2033	2.0% - 5.0%	33,400,000	33,400,000	720,000	32,680,000
2015 Ref. B	10/22/2015	8/1/2018	0.811%-1.710%	3,130,000	3,130,000	1,130,000	2,000,000
					<u>\$ 91,909,039</u>	<u>\$ 3,210,000</u>	<u>\$ 88,699,039</u>

**MEASURES "S" AND "A" GENERAL OBLIGATION BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT**

Notes to Financial Statements

June 30, 2017

NOTE 4 – GENERAL OBLIGATION BONDS (continued)

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2017, were as follows:

Fiscal Year	Principal	Interest	Total
2017-18	\$ 2,417,768	\$ 3,417,412	\$ 5,835,180
2018-19	2,956,073	3,221,484	6,177,557
2019-20	3,298,640	2,442,741	5,741,381
2020-21	3,582,118	2,402,007	5,984,125
2021-22	3,913,889	2,347,989	6,261,878
2022-27	21,736,207	14,156,530	35,892,737
2027-32	20,684,876	25,354,800	46,039,676
2032-37	11,523,091	20,587,846	32,110,937
2037-42	18,586,377	8,205,179	26,791,556
Total	<u>\$ 88,699,039</u>	<u>\$ 82,135,988</u>	<u>\$ 170,835,027</u>

NOTE 5 – COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of June 30, 2017, the District had commitments with respect to unfinished capital projects of approximately \$12 million to be paid from a combination of State and local funds.

NOTE 6 – BOND OVERSIGHT COMMITTEE FORMATION

Education Code Section 15282(a) states that the citizens' oversight committee must consist of at least seven members and must be comprised of the following members: one member shall be active in a business organization representing the business community located within the district, one member shall be active in a senior citizens' organization, one member shall be active in a bona fide taxpayers' organization, one member shall be the parent or guardian of a child enrolled in the district, and one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or school site council. During 2016-17 fiscal year, two members representing the parent of an enrolled child and the parent-teacher organization ended their terms. As of June 30, 2017, the Citizens' Bond Oversight Committee was comprised of five members, and The Citizens' Oversight Committee does not currently have a member representing a parent of child enrolled in the District and a bona fide taxpayers' organization. As a result, the committee does not have all of the required representation.

Supplementary Information

**MEASURES "S" AND "A" GENERAL OBLIGATION BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT**

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2017

	<u>Measure "S"</u>	<u>Measure "A"</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash paid for operating expenses	\$ -	\$ (4,170,974)	\$ (4,170,974)
Net Cash Provided (Used) by Operating Activities	-	(4,170,974)	(4,170,974)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	37,472	189,949	227,421
Net Cash Provided (Used) by Investing Activities	37,472	189,949	227,421
Net increase (decrease) in cash	37,472	(3,981,025)	(3,943,553)
Cash, July 1, 2016	4,096,357	18,558,369	22,654,726
Cash, June 30, 2017	<u>\$ 4,133,829</u>	<u>\$ 14,577,344</u>	<u>\$ 18,711,173</u>

Other Independent Auditors' Reports



INDEPENDENT AUDITORS' 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

To the Governing Board and
Measures "S" and "A" Bond Oversight Committee
San Gabriel Unified School District
San Gabriel, California

We have audited, in accordance with the 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 Measures "S" and "A" General Obligation Bond Building Fund of San Gabriel Unified School District as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated October 20, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Gabriel Unified School 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the San Gabriel Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the San Gabriel Unified School 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 District's 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.

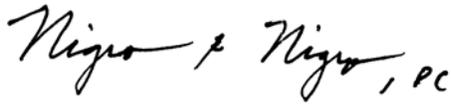
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not 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 San Gabriel Unified School District's 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 noncompliance 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.

Handwritten signature in cursive script that reads "Nigro & Nigro, PC".

Murrieta, California
October 20, 2017



INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

To the Governing Board and
Measures "S" and "A" Bond Oversight Committee
San Gabriel Unified School District
San Gabriel, California

We have examined the San Gabriel Unified School District's compliance with the performance requirements for the Proposition 39 Measures "S" and "A" General Obligation Bonds for the fiscal year ended June 30, 2017, under the applicable provisions of 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. Our responsibility is to express an opinion on the District's compliance based on our examination.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

Objectives

The objectives of the examination of compliance applicable to the District are to determine with reasonable assurance that:

- The expenditures charged to the San Gabriel Unified School District Building Fund are documented.
- Expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measures "S" and "A".
- Any discrepancies or weaknesses in internal controls are noted and recommendations for improvement are provided.
- The District Board and the Citizens' Oversight Committee are provided with a performance audit report 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, 2016 to June 30, 2017. The expenditures tested included all object and project codes associated with the bond projects. 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 also 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.

Procedures Performed

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2017 for the 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 Measures "S" and "A" with regards to the approved bond projects list. We performed the following procedures:

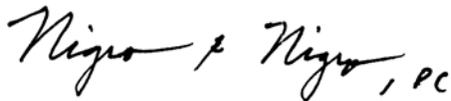
To meet our objectives, audit tests were performed and included, but were not limited to the following:

- We verified that bond funds were deposited in the District's name and invested in accordance with applicable legal requirements.
- We tested approximately \$2.8 million in bond fund invoices paid and \$0.1 million in payroll related expenditures, for a total of approximately \$2.9 million. This represents about 59% of total fund expenditures. This includes testing payments for validity, allowability, and accuracy. Expenditures sampled in our test included payments made to the subcontractors, other vendors, and salaries for technology related services. Salaries tested were for employees whose duties were directly attributable to the bond projects.
- We reviewed the approved project listing as set out in the Measures "S" and "A" election documents.
- We visited a construction site at Gabrielino High School to ensure that expenditures made corresponded with the actual work performed at the site.
- We verified that funds from the Building Fund were 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 Building Fund were only used for authorized expenditures.

Our audit of compliance made for the purpose set forth in the preceding paragraph would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied with the compliance requirements for the Measures "S" and "A" General Obligation Bonds proceeds listed and tested above.

This report is intended for the information of the Governing Board, management and the Citizens' Bond Oversight Committee; however, this report is a matter of public record.



Murrieta, California
October 20, 2017

Findings and Responses

**MEASURES "S" AND "A" GENERAL OBLIGATION BOND BUILDING FUND OF
SAN GABRIEL UNIFIED SCHOOL DISTRICT**
Schedule of Audit Findings and Responses
June 30, 2017

There were no findings and responses in 2017.

MEASURES "S" AND "A" GENERAL OBLIGATION BOND BUILDING FUND OF SAN GABRIEL UNIFIED SCHOOL DISTRICT

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2017

Original Finding No.	Finding	Recommendation	Current Status
<i>Finding 2016-001: Citizens' Bond Oversight Committee Formation</i>	Education Code Section 15282(a) states that the citizens' oversight committee must consist of at least seven members and must be comprised of the following groups: one member shall be active in a business organization representing the business community located within the district, one member shall be active in a senior citizens' organization, one member shall be active in a bona fide taxpayers' organization, one member shall be the parent or guardian of a child enrolled in the district, and one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or school site council. As of June 30, 2016, the Citizens' Oversight Committee was comprised of six members, and did not have a member representing a bona fide taxpayers' organization. As a result, the committee does not have all of the required representations.	The District should continue performing its due diligence in seeking out new members to fill the vacancy and ensure that the correct representations are present on the Citizens' Bond Oversight Committee. Filling the vacancy will also ensure the committee is comprised of at least seven members.	Not Implemented; however, not reported as a finding in 2017. See Note 6.