

**ROWLAND UNIFIED SCHOOL DISTRICT**

**PROPOSITION 39 GENERAL OBLIGATION BONDS  
BOND BUILDING FUND – MEASURE R (2012)  
FINANCIAL AND PERFORMANCE AUDITS**

**June 30, 2015**



**ROWLAND UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39 GENERAL OBLIGATION BONDS**  
**BOND BUILDING FUND – MEASURE R (2012)**  
**FINANCIAL AUDIT**

**June 30, 2015**

**CONTENTS**

	<b><u>Page</u></b>
<b>Financial Audit of Measure R (2012):</b>	
Independent Auditor’s Report.....	1-2
Balance Sheet.....	3
Statement of Revenues, Expenditures and Change in Fund Balance .....	4
Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual.....	5
Notes to Financial Statements.....	6-10
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.....	11-12
Schedule of Findings and Responses.....	13
 <b>Performance Audit of Measure R (2012):</b>	
Independent Auditor’s Report.....	14
Background Information.....	15
Objectives .....	16
Scope of the Audit .....	16
Procedures Performed.....	17
Conclusion .....	18
Schedule of Findings and Responses.....	19

**FINANCIAL AUDIT OF MEASURE R (2012)**  
**BOND BUILDING FUND**



## INDEPENDENT AUDITOR'S REPORT

Board of Education  
The Citizens' Bond Oversight Committee  
Rowland Unified School District  
1830 Nogales Street  
Rowland Heights, CA 91748

### **Report on the Financial Statements**

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Rowland Unified School District (the District), as of and for the fiscal year ended June 30, 2015, and have issued our report thereon dated December 8, 2015. We have also audited the accompanying financial statements of the Bond Building Fund – Measure R (2012) of the District as of and for the fiscal year ended June 30, 2015, 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 of 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, we consider internal control relevant to the District'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 District'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.

Board of Education  
The Citizens' Bond Oversight Committee  
Rowland Unified School District

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Bond Building Fund – Measure R (2012) of the District as of June 30, 2015, 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.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2015 on our consideration of the District's internal control over the Bond Building Fund – Measure R (2012) 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 the internal control over the Bond Building Fund – Measure R (2012) financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Rowland Unified School District's internal control over the Bond Building Fund – Measure R (2012) financial reporting and compliance.

A handwritten signature in black ink, reading "Vicenti, Lloyd & Stutzman LLP". The signature is written in a cursive, flowing style.

VICENTI, LLOYD & STUTZMAN LLP  
Glendora, California  
December 8, 2015

**ROWLAND UNIFIED SCHOOL DISTRICT**  
**BALANCE SHEET**  
**BOND BUILDING FUND - MEASURE R (2012)**  
**June 30, 2015**

**Assets**

Cash in county treasury	\$ 102,618,827
Accounts receivable	<u>132,667</u>
<b>Total Assets</b>	<b><u>\$ 102,751,494</u></b>

**Liabilities and Fund Balance**

**Liabilities**

Accounts payable	<u>\$ 1,636,046</u>
<b>Total Liabilities</b>	<b><u>1,636,046</u></b>

**Fund Balance**

Restricted	<u>101,115,448</u>
<b>Total Fund Balance</b>	<b><u>101,115,448</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 102,751,494</u></b>

See the accompanying notes to the financial statements.

**ROWLAND UNIFIED SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGE IN FUND BALANCE**  
**BOND BUILDING FUND - MEASURE R (2012)**  
**For the Fiscal Year Ended June 30, 2015**

**Revenues**

Interest and investment income	\$	298,358
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<b>Total Revenues</b>		<u>298,358</u>
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**Expenditures**

Salaries and benefits		139,013
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Capital outlay		15,474,305
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Bond issuance cost		<u>690,000</u>
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<b>Total Expenditures</b>		<u>16,303,318</u>
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Deficiency of revenues over expenditures		<u>(16,004,960)</u>
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**Other Financing Sources**

Proceeds from the sale of general obligation bonds		<u>67,999,972</u>
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<b>Total Other Financing Sources</b>		<u>67,999,972</u>
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Net change in fund balance		51,995,012
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Fund Balance at Beginning of Year		<u>49,120,436</u>
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Fund Balance at End of Year	\$	<u><u>101,115,448</u></u>
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See the accompanying notes to the financial statements.

**ROWLAND UNIFIED SCHOOL DISTRICT**

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE  
BUDGET AND ACTUAL - BOND BUILDING FUND - MEASURE R (2012)**

**For the Fiscal Year Ended June 30, 2015**

	<u>Budget *</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues</b>			
Interest and investment income	\$ 450,000	\$ 298,358	\$ (151,642)
<b>Total Revenues</b>	<u>450,000</u>	<u>298,358</u>	<u>(151,642)</u>
<b>Expenditures</b>			
Salaries and benefits		139,013	(139,013)
Capital outlay	18,915,000	15,474,305	3,440,695
Bond issuance cost		690,000	(690,000)
<b>Total Expenditures</b>	<u>18,915,000</u>	<u>16,303,318</u>	<u>2,611,682</u>
Deficiency of revenues over expenditures	<u>(18,465,000)</u>	<u>(16,004,960)</u>	<u>2,460,040</u>
<b>Other Financing Sources</b>			
Proceeds from the sale of general obligation bonds		67,999,972	67,999,972
<b>Total Other Financing Sources</b>		<u>67,999,972</u>	<u>67,999,972</u>
Net change in fund balance	<u>\$ (18,465,000)</u>	51,995,012	<u>\$ 70,460,012</u>
Fund Balance at Beginning of Year		<u>49,120,436</u>	
Fund Balance at End of Year		<u>\$ 101,115,448</u>	

\*Any budgeted revenues reflect estimated amounts to be received in the current year. Any budgeted expenditures reflect amounts budgeted for multi-year projects and therefore will not necessarily coincide with actual current year expenditures.

See the accompanying notes to the financial statements.



**ROWLAND UNIFIED SCHOOL DISTRICT  
BOND BUILDING FUND – MEASURE R (2012)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

**ACCOUNTING POLICIES**

The accompanying financial statements have been prepared in conformity with U.S. 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.

**FUND STRUCTURE**

The Statement of Revenues, Expenditures and Change in Fund Balance is a statement of financial activities of the Bond Building Fund – Measure R (2012) related to the current reporting period. Fund expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do 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 Bond Building Fund – Measure R (2012) 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).

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

**BUDGET**

The Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual includes a column titled “Budget”. The amounts in this column represent the budget adopted by the Board and all amendments throughout the year.

**ROWLAND UNIFIED SCHOOL DISTRICT  
BOND BUILDING FUND – MEASURE R (2012)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (continued)**

**FUND BALANCE CLASSIFICATION**

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. 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 are considered restricted. The Bond Building Fund – Measure R (2012) of the District is therefore classified as restricted.

**CAPITAL ASSETS AND LONG-TERM DEBT**

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Bond Building Fund – Measure R (2012) are determined by its measurement focus. The bond building 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 the Bond Building Fund – Measure R (2012) are accounted for in the basic financial statements of the District.

**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.

**ROWLAND UNIFIED SCHOOL DISTRICT  
BOND BUILDING FUND – MEASURE R (2012)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 2 - DEPOSITS:**

**Cash in County**

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. These pooled funds are carried at amortized cost which approximates fair value.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest in 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. The County investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

**NOTE 3 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS:**

Excess of expenditures over appropriations, by major object accounts, occurred in the Bond Building Fund – Measure R (2012) as follows:

Salaries and Benefits	\$ 139,013
Bond Issuance Cost	690,000

**ROWLAND UNIFIED SCHOOL DISTRICT  
BOND BUILDING FUND – MEASURE R (2012)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 4 – BONDED DEBT:**

**Measure R (2012)**

On November 6, 2012, the voters approved the issuance of bonds (2012 Measure R Election), not to exceed \$158,800,000 for the purpose to financing and renovation, construction and improvement of school facilities as specified in the bond measure provisions of Measure R (2012). The District has issued bonds of \$50,000,000 (Series A) on July 23, 2013, and \$67,999,972 (Series B) on June 24, 2015.

The outstanding general obligation bonds of the Measure R (2012) bonds at June 30, 2015 are:

<u>Date of Issue</u>		<u>Interest Rate %</u>	<u>Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding June 30, 2014</u>	<u>Issued Current Year</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2015</u>
7/23/2013	A	4.0-5.0%	8/1/2043	\$ 50,000,000	\$ 50,000,000	\$	\$ 3,400,000	\$ 46,600,000
6/24/2015	B	2.0-5.459%	8/1/2045	67,999,972		67,999,972		67,999,972
					<u>\$ 50,000,000</u>	<u>\$ 67,999,972</u>	<u>\$ 3,400,000</u>	<u>\$ 114,599,972</u>

**ROWLAND UNIFIED SCHOOL DISTRICT  
BOND BUILDING FUND – MEASURE R (2012)**

**NOTES TO FINANCIAL STATEMENTS  
June 30, 2015**

**NOTE 4 – BONDED DEBT: (continued)**

The annual requirements to amortize all Measure R (2012) bonds payable, outstanding as of June 30, 2015, are as follows:

Year Ending June 30,	Principal	Interest	Total
2016	\$ 4,220,000	\$ 3,569,834	\$ 7,789,834
2017	2,445,000	4,339,425	6,784,425
2018	640,000	4,279,525	4,919,525
2019	425,000	4,252,900	4,677,900
2020	540,000	4,234,175	4,774,175
2021-2025	650,000	21,087,876	21,737,875
2026-2030	8,705,000	21,278,530	29,983,530
2031-2035	14,120,361	30,613,564	44,733,925
2036-2040	20,219,611	31,516,239	51,735,850
2041-2045	49,820,000	8,763,928	58,583,928
2046	12,815,000	272,319	13,087,319
	<u>\$114,599,972</u>	<u>\$134,208,315</u>	<u>\$248,808,287</u>

The repayment of the debt related to the general obligations 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 on bonds is recorded as long-term liabilities in the basic financial statements of the District.

**NOTE 5 – PURCHASE COMMITMENTS:**

As of June 30, 2015, the District was committed under various capital expenditure purchase agreements for construction and modernization projects totaling approximately \$7.2 million to be funded through bond proceeds.

**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***

Board of Education  
The Citizens' Bond Oversight Committee  
Rowland Unified School District  
1830 Nogales Street  
Rowland Heights, CA 91748

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 Balance Sheet, Statement of Revenues, Expenditures and Change in Fund Balance and Statement of Revenues, Expenditures and Change in Fund Balance – Budget and Actual for the Bond Building Fund – Measure R (2012) of the Rowland Unified School District (the District), as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's Bond Building Fund – Measure R (2012) basic financial statements, and have issued our report thereon dated December 8, 2015

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over the Bond Building Fund – Measure R (2012) 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.

**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***

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 the District's Bond Building Fund – Measure R (2012) 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.

A handwritten signature in black ink, reading "Vicenti, Lloyd & Stutzman LLP". The signature is written in a cursive, flowing style.

VICENTI, LLOYD & STUTZMAN LLP  
Glendora, CA  
December 8, 2015

**ROWLAND UNIFIED SCHOOL DISTRICT  
BOND BUILDING FUND – MEASURE R (2012)**

**SCHEDULE OF FINDINGS AND RESPONSES  
June 30, 2015**

There were no findings related to the financial audit of the Bond Building Fund – Measure R (2012) for the fiscal year ended June 30, 2015.



**PERFORMANCE AUDIT OF  
MEASURE R (2012)**

## INDEPENDENT AUDITOR'S REPORT

The Board of Education  
The Citizens' Bond Oversight Committee  
Rowland Unified School District  
1830 Nogales Street  
Rowland Heights, CA 91748

We have conducted a performance audit of the Rowland Unified School District (the "District"), Measure R (2012) General Obligation Bond funds for the year ended June 30, 2015.

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 16 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure R (2012) General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. 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 R (2012) General Obligation Bond for the fiscal year ended June 30, 2015, only for the specific projects developed by the District's Board of Education 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.



VICENTI, LLOYD & STUTZMAN LLP  
Glendora, California  
December 8, 2015

**ROWLAND UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39 GENERAL OBLIGATION BONDS**  
**BOND BUILDING FUND – MEASURE R (2012)**  
**PERFORMANCE AUDIT**  
**June 30, 2015**

**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 district's and community colleges, under certain circumstances and subject to certain conditions.

In November, 2012, a general obligation bond proposition (Measure R) of the District was approved by the voters of the District. Measure R (2012) authorized the District to issue up to \$158,800,000 of general obligation bonds to finance various capital projects, and related costs, as specified in the bond measure provisions of Measure R (2012).

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 initial 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 R (2012) 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 Bond Building Fund Measure R (2012) have been expended only for the authorized bond projects.

**ROWLAND UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39 GENERAL OBLIGATION BONDS**  
**BOND BUILDING FUND – MEASURE R (2012)**  
**PERFORMANCE AUDIT**  
**June 30, 2015**

**OBJECTIVES**

The objectives of our performance audit were to:

- Determine the expenditures charged to the District Bond Building Fund – Measure R (2012).
- Determine whether expenditures charged to the Bond Building Fund – Measure R (2012) have been made in accordance with the bond project list approved by the voters through the approval of Measure R in November 2012.
- Provide the District Board and the Citizens’ Oversight Committee with a performance audit as required under the requirements of the California Constitution and California Education Code.

**SCOPE OF THE AUDIT**

The scope of our performance audit covered the period of July 1, 2014 to June 30, 2015. The sample of expenditures tested were selected from 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. Expenditures incurred subsequent to June 30, 2015 were not reviewed or included within the scope of our audit or in this report.

**ROWLAND UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39 GENERAL OBLIGATION BONDS**  
**BOND BUILDING FUND – MEASURE R (2012)**  
**PERFORMANCE AUDIT**  
**June 30, 2015**

**PROCEDURES PERFORMED**

We obtained the general ledger and the project expenditure reports prepared by the District for fiscal year ended June 30, 2015 for the Bond Building Fund – Measure R (2012). 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 R (2012) with regards to the approved bond projects list. We performed the following procedures:

- We reviewed the projects listed to be funded with general obligation bond proceeds as set out in the Measure R election documents.
- We selected a sample of expenditures for the fiscal year ended June 30, 2015, and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects. Our sample included 19 transactions totaling \$11,293,323. This represents 69% of total expenditures \$16,303,319 of Fund 21.7 Measure R (2012).
- We verified on a sample basis that funds from the Bond Building Fund – Measure R (2012) were expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects and we verified on a sample basis that Bond Building Fund Measure R (2012) funds were used for salaries only for work that would not exist but for the existence of the construction projects as allowable per opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

**ROWLAND UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39 GENERAL OBLIGATION BONDS**  
**BOND BUILDING FUND – MEASURE R (2012)**  
**PERFORMANCE AUDIT**  
**June 30, 2015**

**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 Bond Building Fund – Measure R (2012) and that such expenditures were made on authorized bond projects. Further, it was noted that the funds held in the Bond Building Fund – Measure R (2012) and expended by the District were used for salaries only for work that would not exist but for the existence of the construction projects as allowable per opinion 04-110 issued on November 9, 2004 by the State of California Attorney General.

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**ROWLAND UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39 GENERAL OBLIGATION BONDS**  
**BOND BUILDING FUND – MEASURE R (2012)**  
**PERFORMANCE AUDIT**  
**SCHEDULE OF FINDINGS AND RESPONSES**  
**June 30, 2015**

There were no findings related to the performance audit for the fiscal year ended June 30, 2015.