

PARAMOUNT UNIFIED SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE AA AND MEASURE I
FINANCIAL AND PERFORMANCE AUDITS
YEAR ENDED JUNE 30, 2021



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**FINANCIAL AUDIT OF MEASURE AA AND MEASURE I
GENERAL OBLIGATION BONDS**



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INDEPENDENT AUDITORS' REPORT

Board of Education
Measure AA and Measure I Citizens' Oversight Committee
Paramount Unified School District
Paramount, California

We have audited the accompanying financial statements of the Measure AA and Measure I Bond Building Fund of Paramount Unified School District (the District), as of and for the year ended June 30, 2021, 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 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 auditors' 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.

Board of Education
Measure AA and Measure I Citizens' Oversight Committee
Paramount Unified School District

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 Measure AA and Measure I Bond Building Fund of the District as of June 30, 2021, and the change in financial position thereof 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 AA and Measure I Bond Building Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2021 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 5, 2022 on our consideration of the District's internal control over the Measure AA and Measure I 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 the District's internal control over the Measure AA and Measure I Bond Building Fund 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 the Measure AA and Measure I Bond Building Fund financial reporting and compliance.



CliftonLarsonAllen LLP

Glendora, California
April 5, 2022

**PARAMOUNT UNIFIED SCHOOL DISTRICT
MEASURE AA AND MEASURE I GENERAL OBLIGATION BONDS
BALANCE SHEET
JUNE 30, 2021**

	<u>Measure AA</u>	<u>Measure I</u>
ASSETS		
Cash in County Treasury	\$ 1,585,788	\$ 64,072,384
Accounts Receivable	<u>3,456</u>	<u>152,824</u>
Total Assets	<u>\$ 1,589,244</u>	<u>\$ 64,225,208</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts Payable	<u>\$ 74,973</u>	<u>\$ 3,688,948</u>
Total Liabilities	74,973	3,688,948
FUND BALANCE		
Restricted	<u>1,514,271</u>	<u>60,536,260</u>
Total Fund Balance	<u>1,514,271</u>	<u>60,536,260</u>
Total Liabilities and Fund Balance	<u>\$ 1,589,244</u>	<u>\$ 64,225,208</u>

See accompanying Notes to Financial Statements.

**PARAMOUNT UNIFIED SCHOOL DISTRICT
MEASURE AA AND MEASURE I GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Measure AA</u>	<u>Measure I</u>
REVENUES		
Interest and Investment Income	\$ 8,930	\$ 286,153
Total Revenues	<u>8,930</u>	<u>286,153</u>
EXPENDITURES		
Salaries	23,059	-
Benefits	17,438	-
Supplies	-	477,450
Services and Other Operating Expenditures	1,499	1,391,277
Capital Outlay	104,843	17,405,910
Debt Service	-	2,006,111
Total Expenditures	<u>146,839</u>	<u>21,280,748</u>
OTHER FINANCING SOURCES		
Proceeds from Sale of Bonds	-	49,830,000
Total Other Financing Sources	<u>-</u>	<u>49,830,000</u>
NET CHANGE IN FUND BALANCE	(137,909)	28,835,405
Fund Balance - Beginning of Year	<u>1,652,180</u>	<u>31,700,855</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,514,271</u>	<u>\$ 60,536,260</u>

See accompanying Notes to Financial Statements.

**PARAMOUNT UNIFIED SCHOOL DISTRICT
MEASURE AA AND MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

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.

Financial Reporting Entity

The financial statements include only the Measure AA and Measure I Bond Building Fund of Paramount Unified School District (the District) used to account for Measure AA and Measure I projects. This fund was established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds Election of 2006 and 2016 and is a complete representation of the Building Fund reported in the District's 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.

Basis of Accounting

The Measure AA and Measure I Bond Building Fund 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.

Fund Structure

The statement of revenues, expenditures, and changes in fund balance is a statement of financial activities of the Measure AA and Measure I Bond Building Fund 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.

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 fund balance of the Measure AA and Measure I Bond Building Fund is therefore classified as restricted.

**PARAMOUNT UNIFIED SCHOOL DISTRICT
MEASURE AA AND MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Measure AA and Measure I Bond Building Fund are determined by its measurement focus. The Measure AA and Measure I 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 Measure AA and Measure I Bond Building Fund are accounted for in the basic financial statements of the District.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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 substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2021 is measured at 99.44% of amortized cost. The District’s deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635, and 53648. The county is restricted 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. Any investment losses are proportionately shared by all funds in the pool. 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 statues and the County Board of Supervisors set forth the various investment policies that the Country 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.

**PARAMOUNT UNIFIED SCHOOL DISTRICT
MEASURE AA AND MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 PURCHASE COMMITMENTS

As of June 30, 2021, the District was committed under various capital expenditure purchase agreements for bond projects totaling approximately \$11.4 million for Measure I.

NOTE 4 BONDED DEBT

Measure AA

Between 2007 and 2013, the District issued bonds, Series 2007 – 2013, totaling \$99,997,831. In 2015, the District issued a refunding bond to current refund originally delivered in 2007.

In November 2020, General Obligation Refunding Bonds, Series 2020 were issued to refund portions of 2006, Series 2011 and 2013. The balance of the bonds refunded was \$65,872,976 was deposited into an escrow account.

Measure I

In November 2016, \$106 million in general obligation bonds were authorized by an election (Measure I) held within the District. The bonds were authorized to finance specific construction, repair and improvement projects approved by the voters of the District. General Obligation Bonds, Election 2016, Series 2017A was issued June, 2017 for \$25,670,000 with a premium of \$2,606,912 to be amortized at \$89,894 per year which began in 2018-19. On March 27, 2019 General Obligation Bonds, Series 2019B for \$30,496,089 was issued with a premium of \$1,565,641 to be amortized at \$52,188 per year beginning in 2019-20. On November 18, 2020, 2020 General Obligation Bonds, Election of 2016, Series 2020C was issued with a premium of \$4,816,271 to be amortized beginning in 2020-21.

Payments

Interest due is payable semi-annually on February 1 and August 1 of each year. The principal with respect to the bonds is payable upon maturity or upon redemption in whole or in part. The bonds are issuable as fully registered bonds in denomination of \$5,000 or any integral multiple thereof.

Capital appreciation bonds were issued as part of both Measure AA: Series 2011 and Series 2013 and Measure I: Series B with maturities dates listed below. Prior to the applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable upon maturity or prior payment of the principal component.

**PARAMOUNT UNIFIED SCHOOL DISTRICT
MEASURE AA AND MEASURE I GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 BONDED DEBT (CONTINUED)

The outstanding general obligation bonded debt of the District at June 30, 2021 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2021
Measure AA 2006:					
Series 2011	11/29/2011	8/1/2046	2.00-12.00	\$ 34,044,316	\$ 21,958,302
Series 2013	12/11/2013	8/1/2051	2.00-12.00	33,953,515	249,036
2015 Refunding	6/23/2015	8/1/2032	2.00-5.00	25,280,000	16,252,950
2020 Refunding	11/18/2020	8/1/2051	1.982-3.842	66,756,012	66,756,012
Total				160,033,843	105,216,300
Measure I 2017:					
Series A	6/13/2017	8/1/2046	3.00-5.00	25,670,000	18,610,000
Series B	3/27/2019	8/1/2049	3.00-5.01	30,496,089	28,611,089
Series C	11/18/2020	8/1/2050	.507-4.00	49,830,000	46,395,000
Total 2017				105,996,089	93,616,089
Total				<u>\$ 266,029,932</u>	<u>\$ 198,832,389</u>

The annual debt service requirements to maturity as of June 30, 2021 are as follows:

Year Ended June 30,	Principal	Interest	Accreted
2022	\$ 3,268,118	\$ 4,449,564	\$ 893,432
2023	1,931,691	5,405,073	1,124,450
2024	1,678,148	6,077,934	866,844
2025	1,634,300	6,374,296	-
2026	1,926,369	7,001,354	43,681
2027-2031	16,888,146	33,383,577	1,322,404
2032-2036	22,986,887	29,964,343	14,097,884
2037-2041	25,922,278	28,053,870	31,697,363
2042-2046	47,316,761	21,835,508	34,935,057
2047-2051	70,779,691	6,733,935	8,642,309
2052	4,500,000	73,620	-
Total	<u>\$ 198,832,389</u>	<u>\$ 149,279,453</u>	<u>\$ 93,623,424</u>



**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**

Board of Education
The Measure AA and Measure I Citizens' Oversight Committee
Paramount Unified School District
Paramount, 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 Measure AA and Measure I Bond Building Fund of the Paramount Unified School District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements as listed in the table of contents, and have issued our report thereon dated April 5, 2022.

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) as a basis for designing 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 entity'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as item 2021-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements of the Measure AA and Measure I Bond Building Fund are free from 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 financial statements. 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*.

District's Response to Findings

The District's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

CliftonLarsonAllen LLP

Glendora, California
April 5, 2022

**PARAMOUNT UNIFIED SCHOOL DISTRICT
MEASURE AA AND MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND RESPONSES
JUNE 30, 2021**

2021-001 Closing Procedures

Criteria: The preparation of the financial statements in accordance with GAAP requires management to book retention payable for construction projects that are still ongoing as of year-end.

Condition: Retention payable was not booked as of June 30, 2021 for three construction projects in the building fund.

Effect: Ending funding balance was overstated by \$566,124.

Cause: There was a misinterpretation of when to book retention. The District's process was to book retention at the completion of projects, as opposed to during the annual year-end close process for the amount of work performed during that year.

Recommendation: The process and procedure related to booking retention should be reviewed and modified to include procedures during the year-end financial close process that evaluates the retention amount related to the fiscal year in which the work was performed. This procedure should be established and followed.

Corrective Action Plan: The District will update their procedures to include an evaluation of retention during the year-end closing process, in order to ensure that the appropriate amount is accrued as of year-end.

**PARAMOUNT UNIFIED SCHOOL DISTRICT
MEASURE AA AND MEASURE I GENERAL OBLIGATION BONDS
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
JUNE 30, 2021**

There were no findings related to the financial audit of the Measure AA and Measure I Bond Building Fund for the year ended June 30, 2020.

**PERFORMANCE AUDIT OF GENERAL OBLIGATION BONDS
MEASURE AA AND MEASURE I**



INDEPENDENT AUDITORS' REPORT ON PROPOSITION 39 COMPLIANCE REQUIREMENTS

Board of Education
Measure AA and Measure I and Citizens' Oversight Committee
Paramount Unified School District
Paramount, California

We have conducted a performance audit of the Paramount Unified School District (the District) Measure AA and Measure I bond funds for the fiscal year ended June 30, 2021.

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 15 of this report, which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure AA and Measure I bond funds 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 controls 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 the internal controls.

The results of our tests indicated that, in all significant respects, the District expended Measure AA and Measure I bond funds for the fiscal year ended June 30, 2021, 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.

CliftonLarsonAllen LLP

Glendora, California
April 5, 2022

**PARAMOUNT UNIFIED SCHOOL DISTRICT
PERFORMANCE AUDIT OF MEASURE AA AND MEASURE I
JUNE 30, 2021**

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.

In November 2006, a general obligation bond proposition (Measure AA) of the District was approved by the voters of that District. Measure AA authorized the District to issue up to \$100,000,000 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions.

In November 2016, \$106 million in general obligation bonds were authorized by an election (Measure I) held within the District. The bonds were authorized to finance specific construction, repair and improvement projects approved by the voters of the District. General obligation Bonds, Election 2016, Series 2017A was issued June, 2017 for \$25,670,000 with a premium of \$2,606,912. On March 27, 2019 General Obligation Bonds, Series 2019B for \$30,496,089 was issued with a premium of \$1,565,641.

Pursuant to the requirements of Proposition 39, and related state legislation, the Board of Education of the District established a Citizens' Oversight Committee and appointed its members. The principal purpose of the Citizens' Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure AA and Measure I 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 AA and Measure I Bond Building Fund have been expended only for the authorized bond projects.

OBJECTIVES

The objectives of our performance audit for the fiscal year ended June 30, 2021 were to:

- Determine the expenditures charged to the District Measure AA and Measure I Bond Building Fund.
- Determine whether expenditures charged to the Measure AA and Measure I Bond Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure AA in November 2006 and Measure I in November 2016.
- Provide the District Board and the Measure AA and Measure I Citizens' Oversight Committee with a performance audit as required under the provisions of the California Constitution.

**PARAMOUNT UNIFIED SCHOOL DISTRICT
PERFORMANCE AUDIT OF MEASURE AA AND MEASURE I
JUNE 30, 2021**

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal period from July 1, 2020 to June 30, 2021. 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, 2021 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, 2021, for Measure AA and Measure I. 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 AA and Measure I with regards to the approved bond projects lists. We performed the following procedures:

- We identified the expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing for Measure AA and Measure I.
- We haphazardly selected a sample of expenditures for supplies, services, and capital outlay considering all projects for the year ended June 30, 2021. Our sample included 47 transactions totaling \$14,260,959. This represents 75% of the total expenditures of \$21,280,748.
- 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;
 - Were properly expended on the authorized bond projects as listed on the voter-approved bond project list.

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 AA and Measure I Bond Building Fund and that such expenditures were made on authorized bond projects.

