

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
SONOMA COUNTY
SANTA ROSA, CALIFORNIA**

BUILDING FUND - MEASURE L

PERFORMANCE AUDIT

JUNE 30, 2019

PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
BUILDING FUND - MEASURE L
PERFORMANCE AUDIT
JUNE 30, 2019

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report on Performance	1
Background	2
Objectives of the Audit	2
Scope of the Audit	3
Procedures Performed	3
Conclusion	3
Schedule of Findings and Recommendations	4
Schedule of Prior Audit Recommendations	5

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Board of Trustees and
Citizens' Oversight Committee
Piner-Olivet Union Elementary School District
Santa Rosa, California

We have conducted a performance audit of the Piner-Olivet Union Elementary School District's Building Fund - Measure L for the year ended June 30, 2019.

We conducted this performance audit in accordance with standards applicable to performance 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 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 within this report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39, as incorporated in Article XIII A, Section 1(b)(3)(C) of the California Constitution. 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.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as incorporated in Article XIII A, Section 1(b)(3)(C) of the California Constitution, 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.

The results of our tests indicated that, in all significant respects, the proceeds from the sale of the Measure L, General Obligation Bonds, Election of 2010, which were deposited into the Building Fund - Measure L, were expended only on projects approved by the voters, in accordance with Proposition 39, as incorporated in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

Stephen Roatch Accountancy Corporation

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

December 16, 2019

PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
BUILDING FUND - MEASURE L
PERFORMANCE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Background

In a general election held on November 7, 2000, California voters approved Proposition 39, which provides that the governing board of a school district may pursue the authorization and issuance of bonds by a 55% vote of the electorate. As a result of the passage of Proposition 39, language was added to the Education Code addressing the requirement to establish a Citizens' Oversight Committee to monitor and audit bond proceeds to ensure they are spent only on school and classroom improvements and not for any other purpose.

Proposition 39 contains two specific reporting requirements that are applicable to the District's general obligation bond program. The first requirement is for school district boards to provide for an annual, independent financial audit of the proceeds from the sale of the bonds until all of the funds have been expended for school facilities projects. The second requirement is for school district boards to provide for an annual, independent performance audit to ensure that the bond funds have been expended only on the specific projects listed in the ballot measure.

Financial audits provide reasonable assurance about whether the financial statements of an entity present fairly the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Performance audits are an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of an organization, program, or activity, in order to provide information to improve public accountability and facilitate decision making by parties with responsibility to oversee or initiate corrective action.

The Board of Trustees of Piner-Olivet Union Elementary School District voted to place a 55% school facilities bond (Measure L) on the November 2010 ballot. On November 2, 2010, the Measure L Bonds were authorized at a general election of the registered voters of the District, at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of general obligation bonds with a principal amount not to exceed \$20,000,000. The bonds were authorized to finance the renovation, construction, and improvement of school facilities.

Objectives of the Audit

The objectives of the performance audit were to determine with reasonable assurance that:

- The expenditures charged to the Building Fund - Measure L are properly documented.
- Expenditures charged to the Building Fund - Measure L have been made in accordance with the bond project list approved by the voters through the approval of Measure L in November 2010.
- Any discrepancies or weaknesses in internal controls are noted and recommendations for improvement are provided.
- The District's Board of Trustees and Citizen's Bond Oversight Committee are provided with financial and performance audit reports as required by the California Constitution and Proposition 39.

PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
BUILDING FUND - MEASURE L
PERFORMANCE AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Scope of the Audit

The scope of our performance audit covered the fiscal period of July 1, 2018 to June 30, 2019. The population of 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 not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2019 were not reviewed or included within the scope of our audit or in this report.

Procedures Performed

We obtained the general ledger and project expenditure reports prepared by the District for the fiscal year ended June 30, 2019, for the Building Fund - Measure L. 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 L with regards to the approved bond projects list.

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

- Reviewed bond sale transactions and determined that bond proceeds were deposited into the appropriate District funds and/or bond trustee accounts, as applicable.
- The District had no expenditures during the 2018-19 fiscal year.

Conclusion

The results of our tests indicated that, in all significant respects, the Piner-Olivet Union Elementary School District has properly accounted for the bond proceeds in the Building Fund - Measure L and that expenditures were made for authorized bond projects in accordance with Proposition 39, as incorporated in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
BUILDING FUND - MEASURE L
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

There are no matters to report for the fiscal year ended June 30, 2019.

**PINER-OLIVET UNION ELEMENTARY SCHOOL DISTRICT
BUILDING FUND - MEASURE L
SCHEDULE OF PRIOR AUDIT RECOMMENDATIONS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

There were no matters reported for the prior fiscal year.