

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

PROPOSITION 39 GENERAL OBLIGATION BONDS

MEASURE SA

PERFORMANCE AUDIT

Fiscal Year Ended June 30, 2017

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

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INDEPENDENT AUDITOR'S REPORT

The Governing Board
The Citizens' Oversight Committee
William S. Hart Union High School District
Santa Clarita, California

We have conducted a performance audit of the William S. Hart Union High School District (the District), Measure SA General Obligation Bond funds for the fiscal year ended June 30, 2017.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion 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 two of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure SA General Obligation 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 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 SA General Obligation Bond funds for the fiscal year ended June 30, 2017, only for the specific projects developed by the District's Governing Board, 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
January 17, 2018

WILLIAM S. HART UNION HIGH SCHOOL DISTRICT

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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 2008, a general obligation bond proposition (Measure SA) of the William S. Hart Union High School District was approved by the voters of the District. Measure SA authorized the District to issue up to \$300 million of general obligation bonds to finance various capital projects, and related costs, as specified in the bond measure provisions of Measure SA.

Pursuant to the requirements of Proposition 39, and related state legislation, the Governing Board 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 SA 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 SA bond funds have been expended only for the authorized bond projects.

OBJECTIVES

The objectives of our performance audit were to:

- Determine the expenditures charged to the District Measure SA General Obligation Bond funds.
- Determine whether expenditures charged against Measure SA funds have been made in accordance with the bond project list approved by the voters through the approval of Measure SA in November 2008.

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SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal period from July 1, 2016 to June 30, 2017. The propriety of expenditures for capital projects and maintenance projects funded through other state or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2017, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

- We identified the expenditures charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
- We selected a sample of 51 expenditures totaling \$26,463,118. This represents 95% of total expenditures of \$27,767,029.
- We reviewed the actual invoices and supporting documentation to determine that expenditures charged to projects were:
 - Supported by invoices with evidence of proper approval and documentation of receipt of goods or services;
 - Supported by proper bid documentation, as applicable;
 - Properly expended on the authorized bond projects as listed on the voter-approved bond project list.

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CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures made from Measure SA funds and that such expenditures were made for authorized bond projects.