

**MEASURE CF BOND BUILDING FUND OF  
ACTON-AGUA DULCE UNIFIED SCHOOL  
DISTRICT**

**AUDIT REPORT**

**FOR THE YEAR ENDED  
JUNE 30, 2016**

**San Diego**

**Los Angeles**

**San Francisco  
Bay Area**

**christywhite**  
A PROFESSIONAL  
ACCOUNTANCY CORPORATION *associates*

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Table of Contents  
June 30, 2016**

---

**FINANCIAL SECTION**

Introduction and Citizens' Oversight Committee Member Listing..... 1  
Independent Auditors' Report ..... 2  
Balance Sheet..... 5  
Statement of Revenues, Expenditures and Changes in Fund Balance ..... 6  
Notes to Financial Statements..... 7

**SUPPLEMENTARY INFORMATION**

Budgetary Comparison Schedule..... 15  
Expenditures by Project..... 16

**OTHER INDEPENDENT AUDITORS' REPORTS**

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* ..... 17  
Independent Auditors' Report on Performance ..... 19

**SCHEDULE OF FINDINGS AND RECOMMENDATIONS**

Schedule of Findings and Recommendations ..... 23  
Schedule of Prior Year Findings and Recommendations..... 24

---

---

## FINANCIAL SECTION

---

---

**MEASURE CF BOND BUILDING FUND  
 ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
 Introduction and Citizens' Oversight Committee Member Listing  
 June 30, 2016**

---

The Acton-Agua Dulce Unified School District (the "District") was established in 1881, and consists of encompassing the City of Acton and Agua-Dulce, as well as some unincorporated areas of Los Angeles County. The District operates one comprehensive high school, one middle school, and one elementary school.

In an election held on November 4 2008, the voters authorized the District to issue and sell not more than \$13,000,000 principal amount of general obligation bonds. These bonds were issued as the 2008 Measure CF bonds and were issued for the financing the addition and modernization of school facilities.

The first series of bonds, Election of 2008, Series A, was issued on April 1, 2009 for \$10,710,720 with interest rates ranging from 2.50% to 6.90%. The principal balance outstanding at June 30, 2016 amounted to \$11,118,288.

Election of 2008, Series 2009, was issued on April 1, 2009 for \$2,288,947 with interest rates ranging from 6.90% to 6.97%. The principal balance outstanding at June 30, 2016 amounted to \$3,750,669.

The Citizens' Oversight Committee had the following members as of June 30, 2016, all of whom were appointed by the District's Board of Education with two year terms of office:

<b>Name</b>	<b>Representation</b>
Dr. T. Scott Griffin	Active in a Senior Citizens' Organization
Douglas Morton	Community -at- Large
Michael Hughes	Active Member of a Business Organization
Bob Milewsky	Community -at- Large
Lillian Smith	Active in a Bona Fide Tax Payers' Organization
Kimberly Clemens	Parent of Child Enrolled in District and Active Member of PTA
Wendy Loon	Parent of Child Enrolled in District
Michael Orefice	Parent of Child Enrolled in District and Active Member of PTA

## INDEPENDENT AUDITORS' REPORT

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board Members and  
Measure CF Citizens' Oversight Committee  
Acton-Agua Dulce Unified School District  
Acton, California

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

We have audited the accompanying financial statements of the Measure CF Bond Building Fund of Acton-Agua Dulce Unified School District (the "District") as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Measure CF Bond Building Fund's basic 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 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.

SAN DIEGO  
LOS ANGELES  
SAN FRANCISCO/BAY AREA

Corporate Office:  
348 Olive Street  
San Diego, CA 92103

toll-free: 877.220.7229  
tel: 619.270.8222  
fax: 619.260.9085  
www.christywhite.com

*Licensed by the California  
State Board of Accountancy*

### ***Auditor's Responsibility (continued)***

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As discussed in Note 1A, the financial statements present only the individual Proposition 39 Bond Building Fund, consisting of the net construction proceeds of the Measure CF general obligation bonds as issued by the District, through the County of Los Angeles, and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure CF Bond Building Fund of Acton-Agua Unified School District as of June 30, 2016 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 Matters***

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Measure CF Bond Building Fund of Acton-Agua Dulce Unified School District's basic financial statements. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2017 on our consideration of the Measure CF Bond Building Fund'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 Measure CF Bond Building Fund's internal control over financial reporting and compliance.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of Proposition 39, as incorporated in California Constitution Article 13A, we have also issued our performance audit report dated March 9, 2017 on our consideration of the Measure CF Bond Building Fund's compliance with the requirements of Proposition 39. That report is an integral part of our audit of the Measure CF Bond Building Fund for the fiscal year ended June 30, 2016 should be considered in assessing the results of our financial audit.

*Christy White Associates*

San Diego, California  
March 9, 2017

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Balance Sheet  
June 30, 2016**

---

<b>ASSETS</b>	
Cash in county treasury	\$ 482,116
Accounts receivable	<u>2,368</u>
<b>Total Assets</b>	<b>\$ <u>484,484</u></b>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	<u>\$ 13,737</u>
<b>Total Liabilities</b>	<b><u>13,737</u></b>
<b>Fund Balance</b>	
Restricted for capital projects	<u>470,747</u>
<b>Total Fund Balance</b>	<b><u>470,747</u></b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ <u>484,484</u></b>

The accompanying notes to financial statements are an integral part of this statement.



**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Statement of Revenues, Expenditures and Changes in Fund Balance  
For the Year Ended June 30, 2016**

---

<b>REVENUES</b>	
Interest income	\$ 10,319
	<hr/>
<b>Total Revenues</b>	<b>10,319</b>
	<hr/>
<b>EXPENDITURES</b>	
Facilities acquisition and maintenance	2,096,191
Plan Maintenance and Operations	169
	<hr/>
<b>Total Expenditures</b>	<b>2,096,360</b>
	<hr/>
<b>Net Change in Fund Balance</b>	<b>(2,086,041)</b>
<b>Fund Balance, July 1, 2015</b>	<b>2,556,788</b>
	<hr/>
<b>Fund Balance, June 30, 2016</b>	<b>\$ 470,747</b>
	<hr/>

The accompanying notes to financial statements are an integral part of this statement.

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements  
June 30, 2016**

---

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

**A. Financial Reporting Entity**

The Acton-Agua Dulce Unified School District (the District) was established in 1881, under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K - 12 as mandated by the state and/or federal agencies. The District operates one elementary school, one middle school, and one comprehensive high school.

In an election held on November 2008, the voters authorized the District to issue and sell not more than \$13,000,000 principal amount of general obligation bonds. These bonds were issued as the 2008 Measure CF bonds and were issued for the financing the addition and modernization of school facilities.

An oversight committee to the District's Governing Board and Superintendent, called the Citizens' Oversight Committee (COC), was established pursuant to the requirements of state law and the provisions of the Measure CF bond. The COC is required by state law to actively review and report on the proper expenditure of taxpayers' money for school construction. The COC provides oversight and advises the public whether the District is spending the Measure CF Bond funds for school capital improvements within the scope of projects outlined in the Measure CF Bond project list. In fulfilling its duties, the COC reviews, among other things, the District's annual performance and financial audits of Measure CF activity.

The statements presented are for the individual Measure CF Bond Building Fund of the District, consisting of the net construction proceeds of Election of 2008, Series A and Series 2009 general obligation bonds as issued by the District, through the County of Los Angeles, and are not intended to be a complete presentation of the District's financial position or results of operations. There are no related parties or component units included in this financial statement presentation.

**B. Accounting Policies**

The District accounts for its financial transactions in accordance with the policies and procedures of the California 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).

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2016**

---

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**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 are presented on the modified accrual basis of accounting. On a modified accrual basis, revenue is recorded in the year in which the resources are measurable and become available. “Available” means the resources will be collectible within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. Generally, “available” means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred.

**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.

**E. Deposits and Investments**

In accordance with Education Code Sections 15357 and 41001, the District maintains a portion of its cash in the Los Angeles County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

**F. 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.

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2016**

---

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Budgets and Budgetary Accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

**H. Fund Balance**

Under GASB Statement No. 54, fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The fund balance in Measure CF is considered restricted.

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation.

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2016**

---

**NOTE 2 – CASH AND INVESTMENTS**

Cash as of June 30, 2016 consisted of \$482,116 deposited in the Los Angeles County Treasury Investment Pool.

**Policies and Practices**

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations. Investments of debt proceeds held by trustees are governed by the provisions of debt agreements rather than the general provisions of the California Government Code. These provisions allow for the acquisition of investment agreements with maturities up to 30 years.

*Cash in County Treasury* – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

**MEASURE CF BOND BUILDING FUND  
 ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
 Notes to Financial Statements, continued  
 June 30, 2016**

---

**NOTE 2 – CASH AND INVESTMENTS, (continued)**

**General Authorizations**

The authority to invest District funds deposited with the county treasury is delegated to the County Treasurer and Tax Collector. Additional information about the investment policy of the County Treasurer and Tax Collector may be obtained from its website. The table below identifies examples of the investment types permitted in the investment policy:

<u>Authorized Investment Type</u>	<u>Maximum Remaining Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The District maintains an investment with the Los Angeles County Investment Pool with a fair value at June 30, 2016 of approximately \$482,679 and an amortized book value of \$482,116. The weighted average maturity for the Los Angeles County Investment Pool is 608 days as of June 30, 2016.

MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Notes to Financial Statements, continued  
June 30, 2016

---

NOTE 2 – CASH AND INVESTMENTS, (continued)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This may be measured by the assignment of a rating by a nationally recognized credit rating organization. The investments within the Los Angeles County Investment Pool were not rated.

Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

Fair Value

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy is based on the valuation inputs used to measure an assets fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, either directly or indirectly.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized - Investments in the Los Angeles County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

The District's fair value measurements at June 30, 2016 were as follows:

		<b>Uncategorized</b>
Investment in County Treasury	\$	<u>482,679</u>
<b>Total fair market value of investments</b>	<b>\$</b>	<b><u>482,679</u></b>

**MEASURE CF BOND BUILDING FUND  
 ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
 Notes to Financial Statements, continued  
 June 30, 2016**

---

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable as of June 30, 2016, in the amount of \$2,368, represents interest earnings due from the Los Angeles County Investment Pool for the quarter ended June 30, 2016.

**NOTE 4 – GENERAL OBLIGATION BONDS**

In the November 2008 election, the citizens of the District approved the issuance and sale of not more than \$13,000,000 of general obligation bonds to finance the addition and modernization of school facilities. Under such voters' authorization, there have been two bond issuances (Series A and Series 2009) with terms summarized as follows:

Series	Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2015	Issuance/ Accretion	Deletions	Outstanding June 30, 2016
Election 2008, Series A	April 1, 2009	2.50% - 6.90%	August 1, 2033	\$ 10,710,720	\$ 11,155,842	\$ 232,446	\$ 270,000	\$ 11,118,288
Election 2008, Series 2009	April 1, 2009	6.90% - 6.97%	May 1, 2039	2,288,947	3,494,054	256,615	-	3,750,669
					<u>\$ 14,649,896</u>	<u>\$ 489,061</u>	<u>\$ 270,000</u>	<u>\$14,868,957</u>

**Election of 2008**

On November 4 2008, an election was held at which 55.76% of the voters in the District approved Measure "CF", which authorized the issuance and sale of \$13 million of general obligation bonds. The bonds are general obligations of the District, and the County is obligated to annually levy ad valorem taxes for the payment of interest, and principal of the bonds. The bonds were issued for the purpose of financing the addition and modernization of school facilities.

**Series A**

On April 1, 2009, the District issued Series A General Obligation Refunding Revenue Bonds in the amount of \$10,710,720. The issue carried stated interest rates ranging from 2.50% to 6.90% and fully maturing on August 1, 2033. The principal balance outstanding at June 30, 2016 amounted to \$11,118,288.

**Series 2009**

On April 1, 2009, Series 2009 bonds were issued for \$2,288,947. The issue carried stated interest rates ranging from 6.90% to 6.97% and fully maturing on May 1, 2039. The principal balance outstanding at June 30, 2016 amounted to \$3,750,669.



**MEASURE CF BOND BUILDING FUND**  
**ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT**  
**Notes to Financial Statements, continued**  
**June 30, 2016**

---

**NOTE 4 – GENERAL OBLIGATION BONDS, (continued)**

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2016, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 310,000	\$ 359,369	\$ 669,369
2018	370,000	345,769	715,769
2019	440,000	329,569	769,569
2020	510,000	310,569	820,569
2021	585,000	285,744	870,744
2022 - 2026	4,295,000	921,553	5,216,553
2027 - 2031	2,714,378	4,370,247	7,084,625
2032 - 2036	1,613,715	7,746,285	9,360,000
2037 - 2039	1,312,572	8,972,428	10,285,000
Accretion	2,718,292	(2,718,292)	-
	<u>\$ 14,868,957</u>	<u>\$ 20,923,241</u>	<u>\$ 35,792,198</u>

---

---

## **SUPPLEMENTARY INFORMATION**

---

---

**MEASURE CF BOND BUILDING FUND**  
**ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT**  
**Budgetary Comparison Schedule**  
**June 30, 2016**

---

	<b>Final Budget</b>	<b>Actuals</b>	
	<b>2015-16</b>	<b>2015-16</b>	<b>Variance</b>
<b>Revenues and Other Financing Sources</b>			
Interest revenue	\$ 25,000	\$ 10,319	\$ 14,681
Total Revenues and Other Financing Sources	<u>25,000</u>	<u>10,319</u>	<u>14,681</u>
<b>Expenditures and Other Financing Uses</b>			
Classified salaries	-	-	-
Employee benefits	-	-	-
Books and supplies	96,932	71,078	25,854
Contracted services	507,500	290,203	217,297
Capital outlay	1,297,934	1,735,079	(437,145)
Total Expenditures and Other Financing Uses	<u>1,902,366</u>	<u>2,096,360</u>	<u>(625,004)</u>
Change in Fund Balance	(1,877,366)	(2,086,041)	(3,963,407)
Beginning Fund Balance	<u>2,556,788</u>	<u>2,556,788</u>	-
Ending Fund Balance	<u>\$ 679,422</u>	<u>\$ 470,747</u>	<u>\$ 208,675</u>

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Expenditures by Project  
June 30, 2016**

---

Following is a summary of expenditures my Measure CF project for the June 30, 2016:

<u>Measure CF Project</u>	<u>2015-2016 Expenditures</u>
Vasquez High School Construction	\$ 2,096,360
Total Expenditures	<u>\$ 2,096,360</u>

---

---

**OTHER INDEPENDENT AUDITORS'  
REPORTS**

---

---

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

Independent Auditors' Report

Christy White, CPA

Michael Ash, CPA

Heather Rubio

Governing Board Members and  
Measure CF Citizens' Oversight Committee  
Acton-Agua Dulce Unified School District  
Acton, 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 for Measure CF Bond Building Fund of the Acton-Agua Dulce Unified School District the ("District"), as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Measure CF Bond Building Fund basic financial statements, and have issued our report thereon dated March 9, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the Measure CF Bond Building Fund financial statements, we considered the District 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 District internal control. Accordingly, we do not express an opinion on the effectiveness of the District 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. 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.

SAN DIEGO  
LOS ANGELES  
SAN FRANCISCO/BAY AREA

Corporate Office:  
348 Olive Street  
San Diego, CA 92103

toll-free: 877.220.7229  
tel: 619.270.8222  
fax: 619.260.9085  
www.christywhite.com

*Licensed by the California  
State Board of Accountancy*

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's Measure CF Bond Building Fund 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 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.

*Christy White Associates*

San Diego, California  
March 9, 2017

## INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Governing Board Members and  
Measure CF Citizens' Oversight Committee  
Acton-Agua Dulce Unified School District  
Acton, California

Christy White, CPA

Michael Ash, CPA

Heather Rubio

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

We have audited the accompanying financial statements of the Measure CF Bond Building Fund of the Acton-Agua Dulce Unified School District, as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Measure CF Bond Building Fund's basic 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 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.

SAN DIEGO  
LOS ANGELES  
SAN FRANCISCO/BAY AREA

Corporate Office:  
348 Olive Street  
San Diego, CA 92103

toll-free: 877.220.7229  
tel: 619.270.8222  
fax: 619.260.9085  
www.christywhite.com

*Licensed by the California  
State Board of Accountancy*



We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Objectives**

In connection with our audit, we also performed an audit of compliance as required in the performance requirements for the Measure CF Bond Building Fund for the fiscal year ended June 30, 2016. The objective of the examination of compliance applicable to the District is to determine with reasonable assurance that:

- The proceeds of the sale of the Measure CF General Obligation Bonds were only used for the purposes set forth in the Measure CF ballot language and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure, evaluated the remodeling, new construction and renovations of items which will improve learning, with no funds expended on administrator salaries.

In performing our audit of compliance, we performed procedures including but not limited to those listed as follows:

<b>Internal Control Evaluation</b>
------------------------------------

### **Procedures Performed:**

Inquiries were made of management regarding internal controls to:

- Prevent fraud or waste regarding Measure CF projects, including budgetary controls
- Ensure adequate separation of duties exists in the fiscal services department for Measure G funds
- Prevent material misstatements in the financial statements
- Ensure expenditures are allocated to the proper fund(s)
- To follow applicable regulations, including regulations related to bidding and contract management

We then performed substantive tests of financial statement balances to determine whether the controls designed by management were operating effectively, and to provide reasonable assurance that the year ended June 30, 2016 financial statement balances for the Measure CF Bond Building Fund are not materially misstated.

### **Results of Procedures Performed:**

The results of our audits tests show that internal control procedures appear to be working to meet the financial and compliance objectives required by generally accepted accounting standards and applicable laws and regulations. An unmodified opinion was expressed on the financial statements.

## Facilities Site Walk

### **Procedures Performed:**

We performed a site walk to verify Measure CF funds expended for fiscal year ended June 30, 2016 were for valid facilities acquisition and construction purposes. CWA toured one construction project site where 2015-16 construction work occurred, Vasquez High School.

### **Results of Procedures Performed:**

CWA viewed construction taken place at Vasquez High School. The school was constructed from the ground up. Specifically, we viewed new gates, new pavements and asphalts, and new roofing among other renovations. Results of the site walk indicate that the major 2015-16 Measure CF construction projects utilized bond proceeds appropriately and within the guidelines set forth by the Measure CF ballot language.

## Test of Expenditures

### **Procedures Performed:**

We tested \$1,785,052 (85%) of the 2015-16 expenditures for validity, allowability and accuracy. Expenditures sampled in our test included payments made to contractors, consultants and other vendors.

### **Results of Procedures Performed:**

We found the expenditures and transfers tested to be in compliance with the terms of the Measure CF ballot measure, Facilities Plan, and applicable state laws and regulations without exception.

## Test of Contracts and Bid Procedures

For the fiscal year ended June 30, 2016, we did not perform testing of contracts to determine compliance with District policy and Public Contract Code provisions related to contracting and bidding as there were no applicable contracts initiated in 2015-2016.

<b>Independent Citizens' Oversight Committee</b>
--

**Procedures Performed:**

In accordance with AB 1908 (Assembly Bill) and Education Code Section 15278, the District is required to establish a bond oversight committee for Proposition 39 bonds including one active member from each of the following sectors: a business organization, senior citizens organization, bona fide taxpayers association, and one parent/guardian of a child enrolled in the District and one parent/guardian of a child enrolled in the District who is also a member of a parent teacher association. The ICOC is to meet pursuant to Education Code Section 15280.

**Results of Procedures Performed:**

In our review of the composition of the committee, we found the District did not have any vacant positions on the committee. We therefore have found the District to be in compliance with the aforementioned sections of Education Code.

Our audit of compliance was made for the purposes set forth in the objectives section of this report and would not necessarily disclose all instances of noncompliance.

*Opinion*

In our opinion, based on the fieldwork described above as well as the other tests that we conducted, the District complied with the compliance requirements for the Measure CF General Obligation Bonds as listed and tested above.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on accountability requirements pursuant to the passage of Proposition 39 and the enactment of AB 1908 (Chapter 44, Statutes of 2000). Accordingly, this report is not suitable for any other purpose.

*Christy White Associates*

San Diego, California  
March 9, 2017

---

---

**SCHEDULE OF FINDINGS AND  
RECOMMENDATIONS**

---

---

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Schedule of Findings and Recommendations  
For the Fiscal Year Ended June 30, 2016**

---

*There were no findings or recommendations related to the audit of the Acton-Agua Dulce Unified School District's Measure CF Bond Building Fund for the fiscal year ended June 30, 2016.*

**MEASURE CF BOND BUILDING FUND  
ACTON-AGUA DULCE UNIFIED SCHOOL DISTRICT  
Schedule of Prior Year Findings and Recommendations  
For the Fiscal Year Ended June 30, 2016**

---

*There were no findings or recommendations related to the audit of the Acton-Agua Dulce Unified School District's Measure CF Bond Building Fund for the fiscal year ended June 30, 2015.*