

WESTSIDE UNION SCHOOL DISTRICT

LOS ANGELES COUNTY  
QUARTZ HILL, CALIFORNIA

FINANCIAL AND PERFORMANCE AUDIT  
2012 ELECTION, SERIES A AND  
SERIES B GENERAL OBLIGATION BONDS  
BUILDING FUND

JUNE 30, 2017

**JLG**

Jeanette L. Garcia & Associates  
CERTIFIED PUBLIC ACCOUNTANT

## Financial Section

WESTSIDE UNION SCHOOL DISTRICT  
 2012 ELECTION, SERIES A AND SERIES B  
 GENERAL OBLIGATION BONDS BUILDING FUND  
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 JUNE 30, 2017

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INDEPENDENT AUDITOR’S REPORT

Jeanette L. Garcia,  
CPA

To the Board of Trustees and Citizens’ Oversight Committee  
Westside Union School District  
Quartz Hill, California

**Report on the Financial Statements**

We have audited the accompanying balance sheet of the Westside Union School District 2012 Election, Series A and Series B General Obligation Bonds Building Fund, as of June 30, 2017, and the related statement of revenues, expenditures and changes in fund balance for the year ended June 30, 2017, and the related notes to the financial statements, as listed in the table of contents.

As discussed in Note 1, the financial statements present only the individual 2012 Election, Series A and Series B General Obligation Bonds Building Fund of the Westside Union School District and are not intended to present fairly the financial position of the Westside Union School District in conformity with accounting principles generally accepted in the United States of America.

***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 opinions 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.

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

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***Opinions***

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the transactions of the 2012 Election, Series A and Series B General Obligation Bonds Building Fund of the Westside Union School District, as of and for the year ended June 30, 2017, in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Other Information***

Our audit was conducted for the purpose of forming opinions on the balance sheet of the Westside Union School District 2012 Election, Series A and Series B General Obligation Bonds Building Fund, the related statement of revenues, expenditures and changes in fund balance, and the related notes to the financial statements. The supplementary exhibits are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary exhibits have not been subjected to the auditing procedures applied in the audit of the balance sheet of the Westside Union School District 2012 Election, Series A and Series B General Obligation Bonds Building Fund, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2017, on our consideration of the Westside Union School District'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 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 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 Westside Union School District's internal control over financial reporting and compliance.



Redlands, California  
December 12, 2017

WESTSIDE UNION SCHOOL DISTRICT  
 2012 ELECTION, SERIES A AND SERIES B  
 GENERAL OBLIGATION BONDS BUILDING FUND  
BALANCE SHEET  
 JUNE 30, 2017

ASSETS

Cash (Note 2)	
Cash in County Treasury	\$ 1,647,101
Accounts Receivable (Note 3)	<u>11,729</u>
 TOTAL ASSETS	 <u><u>\$ 1,658,830</u></u>
 <u>LIABILITIES AND FUND BALANCE</u>	
Liabilities	
Accounts Payable	\$ 85,843
 Fund Balance	
Restricted	 <u>1,572,987</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 1,658,830</u></u>

The Notes to Financial Statements are an integral part of this statement.

WESTSIDE UNION SCHOOL DISTRICT  
 2012 ELECTION, SERIES A AND SERIES B  
 GENERAL OBLIGATION BONDS BUILDING FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

<u>REVENUES</u>	
Interest	\$ 41,749
<u>EXPENDITURES</u>	
Plant Services	10,220
Facilities Acquisition and Construction	4,507,370
Total Expenditures	4,517,590
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,475,841)
<u>FUND BALANCE</u> - JULY 1, 2016	6,048,828
<u>FUND BALANCE</u> - JUNE 30, 2017	\$ 1,572,987

The Notes to Financial Statements are an integral part of this statement.

WESTSIDE UNION SCHOOL DISTRICT  
2012 ELECTION, SERIES A AND SERIES B  
GENERAL OBLIGATION BONDS BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Westside Union School District conform to accounting principles generally accepted in the United States of America as applicable to governments and to general practices within California school districts. The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and by the American Institute of Certified Public Accountants. The following is a summary of the significant accounting policies:

Reporting Entity

On November 6, 2012, the District voters authorized issuance of \$18,510,000 principal amount of General Obligation Bonds for the purpose to increase student computer/technology access; continue repairing, upgrading, equipping, and constructing classrooms and school facilities; and reduce overall borrowing costs for the District ( the "Authorization"). The measure was approved by more than 55% of the vote. In response, an advisory committee to the District's Governing Board and Superintendent, the Citizens' Bond Oversight Committee was established. The Committee's oversight goals include: informing the public on the expenditures of Bond proceeds, reviewing expenditure reports to ensure that Bond proceeds are expended only for purposes set forth in the Measure, and ensuring compliance with conditions of Measure.

In April 2014, the District issued \$13,510,000 General Obligation Bonds, 2012 Election, Series A.

In April 2014, the District issued \$5,000,000 General Obligation Bonds, 2012 Election, Series B. The Series A and B Bonds are the first and only series of bonds to be issued under this authorization.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures, or expenses, 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 accompanying financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "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. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.



WESTSIDE UNION SCHOOL DISTRICT  
2012 ELECTION, SERIES A AND SERIES B  
GENERAL OBLIGATION BONDS BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all government funds. By State law, the District's Board of Trustees must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's Board of Trustees satisfied these requirements.

These budgets are revised by the District's Board of Trustees during the year to give consideration to unanticipated income and expenditures. The final revised budget that is presented in the financial statements consists of the original Board approved documents plus all revisions through June 30, 2017.

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.

Accounting Estimates

The presentation of 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 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 (expenses) during the reporting period. Actual results could differ from those estimates.

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. All outstanding encumbrances were liquidated at June 30.

Fund Balance Reserves and Designations

In the governmental funds Balance Sheet, fund balance amounts are reported within the fund balance categories below:

- Nonspendable – This is fund balance associated with revolving cash funds, inventories and prepaids.
- Restricted – This includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – This includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Trustees (the District's highest level of decision-making authority).
- Assigned – These funds are intended to be used by the government (District) for specific purposes but do not meet the criteria to be classified as restricted or committed.
- Unassigned – This is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications.

When fund balance resources are available for a specific purpose in multiple classifications, the District would use the most restrictive funds first.

WESTSIDE UNION SCHOOL DISTRICT  
2012 ELECTION, SERIES A AND SERIES B  
GENERAL OBLIGATION BONDS BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2017

2. CASH

Cash at June 30, 2017, with regards to the 2012 Election consisted of the following:

Pooled Funds:

Cash in County Treasury	\$ <u>1,647,101</u>
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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 investment pool (\$29,733,059,433 as of June 30, 2017). 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. The District is considered to be an involuntary participant in the external investment pool. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The fair market value of this pool as of June 30, 2017, as provided by the pool sponsor, was \$29,556,064,226. The County is required 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.

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 and in Money Market Mutual Fund U.S. Treasury Fund obligations. The District maintains an investment with the Los Angeles County Investment Pool with a fair value of approximately \$1,637,296 and an amortized book value of \$1,647,101. The average weighted maturity for this pool is 672 days.

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2017, the District had no significant interest rate risk related to cash and investments held.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The District does not have a formal investment policy that limits its investment choices other than the limitations of State law.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District does not place limits on the amount it may invest in any one issuer. At June 30, 2017, the District had no concentration of credit risk.

WESTSIDE UNION SCHOOL DISTRICT  
 2012 ELECTION, SERIES A AND SERIES B  
 GENERAL OBLIGATION BONDS BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. However, the California Government code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105% of the secured deposits.

Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC). All cash held by the financial institutions is fully insured or collateralized.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.

3. ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2017, with regards to the 2012 Election consisted of the following:

Local Sources	
Interest	<u>\$ 11,729</u>

4. BONDED DEBT

The outstanding General Obligation Bonded debt at June 30, 2017, with regards to the 2012 Election is the following:

Bond	Date of Bond	Year of Maturity	Rate of Interest	Amount of Original Issue	Bonds Outstanding July 1, 2016	Issued During Year	Matured During Year	Bonds Outstanding June 30, 2017
2012 Series A	4/22/2014	8/1/2025	2.00-4.00%	\$ 13,510,000	\$ 12,875,000	\$ -	\$ 650,000	12,225,000
2012 Series B	4/22/2014	8/1/2019	2.00-4.00%	5,000,000	3,910,000	-	1,110,000	2,800,000
				<u>\$ 18,510,000</u>	<u>\$ 16,785,000</u>	<u>\$ -</u>	<u>\$ 1,760,000</u>	<u>\$ 15,025,000</u>

WESTSIDE UNION SCHOOL DISTRICT  
 2012 ELECTION, SERIES A AND SERIES B  
 GENERAL OBLIGATION BONDS BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017

The annual requirement to amortize the 2012 Series A General Obligation Bonds payable, outstanding at June 30, 2017, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 455,000	\$ 434,850	\$ 889,850
2019	550,000	425,750	975,750
2020	605,000	409,750	1,014,750
2021	1,615,000	391,100	2,006,100
2022	1,735,000	342,650	2,077,650
2023-26	<u>7,265,000</u>	<u>691,600</u>	<u>7,956,600</u>
Total	<u>\$ 12,225,000</u>	<u>\$ 2,695,700</u>	<u>\$ 14,920,700</u>

The annual requirement to amortize the 2012 Series B General Obligation Bonds payable, outstanding at June 30, 2017, is as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,080,000	\$ 101,200	\$ 1,181,200
2019	830,000	68,800	898,800
2020	<u>890,000</u>	<u>35,600</u>	<u>925,600</u>
Total	<u>\$ 2,800,000</u>	<u>\$ 205,600</u>	<u>\$ 3,005,600</u>

WESTSIDE UNION SCHOOL DISTRICT  
 2012 ELECTION, SERIES A AND SERIES B  
 GENERAL OBLIGATION BONDS BUILDING FUND  
NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 2017

The total annual requirement to amortize General Obligation Bonds payable, outstanding at June 30, 2017 is summarized as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 1,535,000	\$ 536,050	\$ 2,071,050
2019	1,380,000	494,550	1,874,550
2020	1,495,000	445,350	1,940,350
2021	1,615,000	391,100	2,006,100
2022	1,735,000	342,650	2,077,650
2023-26	<u>7,265,000</u>	<u>691,600</u>	<u>7,956,600</u>
Total	<u>\$ 15,025,000</u>	<u>\$ 2,901,300</u>	<u>\$ 17,926,300</u>

5. COMMITMENTS AND CONTINGENCIES

Construction Commitments

As of June 30, 2017, the District had the following commitments with respect to unfinished capital projects:

<u>Capital Projects</u>	<u>Remaining Construction Commitments</u>	<u>Expected Date of Completion</u>
Cottonwood Modernization	\$ 7,451,257	August 2018
21st Century Technology Upgrade Districtwide	966,425	June 2018
21st Century Classroom Technology	12,334	January 2018

## Supplementary Information

## **EXHIBIT A**

“To increase student computer/technology access; repair, equip and modernize elementary classrooms/school facilities; replace outdated heating/air conditioning; and reduce overall borrowing costs, shall \$18,510,000 of Westside Union School District bonds, previously approved by voters in November 2008, be reauthorized through issuance of new bonds, with no increase in total authorized District debt, interest rates below legal limits, independent citizen oversight, no money for administrator salaries, and all funds spent locally and not taken by the State?”

Bonds - Yes

Bonds - No

## EXHIBIT B

### FULL TEXT OF BALLOT MEASURE WR

To increase student computer/technology access; repair, equip and modernize elementary classrooms/school facilities; replace outdated heating/air conditioning; and reduce overall borrowing costs, shall \$18,510,000 of Westside Union School District bonds, previously approved by voters in November 2008, be reauthorized through issuance of new bonds, with no increase in total authorized District debt, interest rates below legal limits, independent citizen oversight, no money for administrator salaries, and all funds spent locally and not taken by the State?

#### **BOND AUTHORIZATION**

By approval of this measure by at least 55 percent of the registered voters voting on the measure, the District will be authorized to issue and sell bonds of up to \$18,510,000 in aggregated principal at interest rates not in excess of the legal limit and to provide financing for the specific school facilities projects listed in the Bond Project List described below, subject to all the accountability requirements specified below.

The Bonds may be issued under the provisions of the California Education Code (starting at Section 15100), under the provisions of the California Government Code (starting at Section 53506), or under any other provision of the law authorizing the issuance of general obligation bonds by school districts. The Bonds may be issued in series by the District from time to time, and each series of Bonds shall mature within the legal limitations set forth in the applicable law under which the Bonds are issued.

District voters previously approved Measure WS at an election held in the District on November 4, 2008. However, due to State law limitations imposed on the issuance of bonds under Measure WS, the District estimates that it will be unable to issue any additional Measure WS Bonds in the immediate future. The Board of Trustees of the District has found and determined that there continues to be an urgent need in the District for the completion of the educational projects approved by District voters under Measure WS, and that no other District resources are available to finance such projects. If the Bonds are approved and issued, the Board of Trustees of the District has covenanted that it will cancel and shall not authorize the issuance of Measure WS Bonds in a like amount.

#### **ACCOUNTABILITY REQUIREMENTS**

The provisions in this section are specifically included in this measure in order that the voters and taxpayers in the District may be assured that their money will be spent wisely. Expenditures to address specific facilities needs of the District will be in compliance with the requirements of Article XIII A, Section 1(b)(3), of the State Constitution and the Strict Accountability in Local School Construction Bonds Act of 2000 (codified at Education Code Sections 15264 and following).

**Evaluation of Needs.** The School Board has identified detailed facilities needs of the District and has determined which projects to finance from a local bond at this time. The School Board hereby certifies that it has evaluated safety, class size reduction, enrollment growth, and information technology needs in developing the Bond Project List shown below.

**Independent Citizens' Oversight Committee.** The School Board shall establish an Independent Citizens' Oversight Committee under Education Code Section 15278 and following to ensure that bond proceeds are expended only on the school facilities projects listed below. The committee will be established within 60 days of the date when the results of the election appear in the minutes of the School Board.

**Performance Audits.** The School Board shall conduct an annual, independent performance audit to ensure that the bond proceeds have been expended only on the school facilities projects listed below.



**Financial Audits.** The School Board shall conduct an annual, independent financial audit of the bond proceeds until all of those proceeds have been spent for the school facilities projects listed below.

**FURTHER SPECIFICATIONS**

**No Administrator Salaries.** Proceeds from the sale of bonds authorized by this measure shall be used only for the construction, reconstruction and/or rehabilitation of school facilities including the furnishing and equipping of school facilities or acquisition or lease of real property for school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

**BOND PROJECT LIST**

**Projects Subject to Available Funding.** The following list of projects is subject to the availability of adequate funding to the District. Approval of the bond measure does not guarantee that the proposed projects in the District that are the subject of bonds under the measure will be funded beyond the local revenues generated by the bond measure. The District’s proposal for the projects may assume the receipt of matching state funds, which could be subject to appropriation by Legislature or approval of a statewide bond measure.

**Scope of Projects.** Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, furnish, rebuild and otherwise improve educational and support facilities within the District. Projects which are described below include all related and incidental costs, including their share of the costs of the election and bond issuance and costs of design, engineering, architect and other professional services, inspections, site preparation, utilities landscaping, construction management and other planning, legal, accounting and similar costs, independent annual financial and performance audits, a customary construction contingency, and other costs incidental to and necessary for completion of the listed projects.

Bond proceeds may also be expended to acquire real property (or any interest in real property) for future educational and support facilities and to acquire and install furniture, fixtures and equipment at any classrooms and other educational facilities within the District. The District may alter the scope and nature of any of the specific projects which are described below as required by conditions that arise during the course of the design and construction.

Whenever specific items are included in the following list, they are presented to provide examples and are not intended to limit the generality of the broader description of authorized projects. The order in which particular projects are listed is not intended to indicate priority for funding or completion.

**RENOVATION, MODERNIZATION, REPAIR AND CONSTRUCTION OF  
CLASSROOMS, SCHOOLS, AND FACILITIES**

Bond proceeds will be expended to modernize, replace, renovate, construct, acquire, equip, rebuild and furnish the District’s classrooms, restrooms, and other educational facilities including those located at:

Anaverde Hills Elementary School  
Del Sur School  
Gregg Anderson Academy  
Joe Walker Middle School  
Quartz Hill Elementary School  
Sundown Elementary School

Cottonwood Elementary School  
Esperanza Elementary School  
Hillview Middle School  
Leona Valley Elementary School  
Rancho Vista Elementary School  
Valley View Elementary School

WESTSIDE UNION SCHOOL DISTRICT  
2012 ELECTION, SERIES A AND SERIES B  
GENERAL OBLIGATION BONDS BUILDING FUND  
BALLOT MEASURE

Whenever specific items are included in the following list, they are presented to provide an example and are not intended to limit the generality of the broader description of authorized projects. Such projects shall include but shall not be limited to:

- Upgrade electrical systems and improve student access to computers and modern technology
- Upgrade, modernize, and renovate outdated classrooms
- Upgrade old heating, ventilation, and air conditioning systems
- Installation of on site cameras and door hardware upgrades for student safety
- Installation of synthetic turf for water conservation
- Construct, upgrade, and renovate student support facilities including libraries, multipurpose rooms, restrooms, offices, and cafeterias
- Make handicap accessibility (ADA) upgrades and improvements throughout the District, including restrooms, classrooms, and playgrounds



Jeanette L. Garcia,  
CPA

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 Auditor's Report

To the Board of Trustees and Citizens' Oversight Committee  
Westside Union School District  
Quartz Hill, 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 Westside Union School District (the District) for the 2012 Election, Series A and Series B General Obligation Bonds Building Fund, as of and for the year ended June 30, 2017, and the related notes to the financial statements, and have issued our report thereon dated December 12, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Westside Union School District's 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 Westside Union School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Westside Union School 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. 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.

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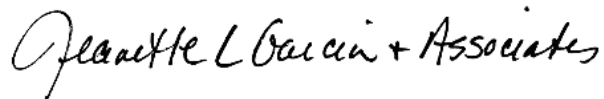
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## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Westside Union School District's financial statements 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 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.

A handwritten signature in black ink that reads "Jeanette L. Garcia + Associates". The signature is written in a cursive, flowing style.

Redlands, California  
December 12, 2017



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Jeanette L. Garcia,  
CPA

AUDITOR'S REPORT ON STATE COMPLIANCE

To the Board of Trustees and Citizens' Oversight Committee  
Westside Union School District  
Quartz Hill, California

We have audited the accompanying financial statements of the Westside Union School District (the District) for the 2012 Election, Series A and Series B General Obligation Bonds Building Fund, as of and for the year ended June 30, 2017. Our audit was made in accordance with auditing standards generally accepted in the United States of America; and the standards for financial and compliance 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with specified requirements.

The District's management is responsible for the District's compliance with laws and regulations. In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with the following requirements:

Proceeds from the sale of the bonds are used only to increase student computer/technology access; repair, equip and modernize elementary classrooms/school facilities; replace outdated heating/air conditioning; and reduce overall borrowing costs, and not for any other purpose, including administrator salaries.

Proper bidding procedures have been observed/met.

The District is in compliance with budget constraints per the Citizens' Oversight Committee.

Bond monies are used only on projects which were voter approved.

In our opinion, the District complied, in all material respects, with the aforementioned requirements for the year ended June 30, 2017.

This report is intended solely for the information and use of Westside Union School District's management, Board of Trustees and the Citizens' Oversight Committee, and is not intended to be, and should not be, used by anyone other than these specified parties.

Member:

American  
Institute of  
Certified Public  
Accountants

California  
Society of  
Certified Public  
Accountants

Redlands, California  
December 12, 2017