

WESTERN PLACER
UNIFIED SCHOOL DISTRICT

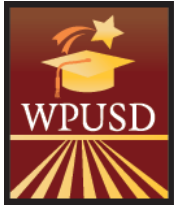
February 6, 2019

BOND OVERSIGHT COMMITTEE MEASURE A & N

2018-2019 School Year

**Mike Adell
Facilities Director**

1. Agenda
2. Minutes from October 2018 Meeting
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**WESTERN PLACER
UNIFIED SCHOOL DISTRICT**

600 Sixth St, Suite 400, Lincoln CA 95648
Ph: 916-645-6350

Board of Trustees: Paul Long
Brian Haley
Paul Carras
Kris Wyatt
Damian Armitage

Superintendent: Scott Leaman

**Measure “A” and ”N” Bond Oversight Committee
Wednesday February 6, 2019
5:30 PM
District Office, 1st Floor Community Meeting Room**

Agenda

- 1.0 *Welcome and Introductions*
- 2.0 *Approval of Meeting Minutes for October 24, 2018 Meeting*
- 3.0 *Measure A and N Presentation*
 - 3.1 *2017-18 Measure A and Measure N General Obligation Bonds Audited Financial Statements and Performance Audits*
- 4.0 *Measure A Presentation/Updates*
 - 4.1 *Twelve Bridges High School*
- 5.0 *Measure N Project Presentation/Updates*
 - 5.1 *Glen Edwards Middle School Additions and Modernization*
 - 5.2 *Leaman Elementary School*
- 6.0 *Project Expenditure Reports*
 - 6.1 *Measure A*
 - 6.2 *Measure N*
- 7.0 *Open Forum*
- 8.0 *Future Business*
 - *Next Meeting – Date/Location*
- 9.0 *Adjourn*

WESTERN PLACER UNIFIED SCHOOL DISTRICT

BOND OVERSIGHT COMMITTEE MEETING

First Floor Meeting Room
600 6th Street, Lincoln, CA 95648

Wednesday, October 24, 2018

MINUTES

CALL TO ORDER – David Fear called the meeting to order at 5:37 p.m.

ROLL CALL - Committee Members Present: Ashley Indrieri, Judson Cline, Kimberly Vinci, Ed Rowan, Carol Hunt, Agnes Valdez, and David Fear
Committee Members Absent: Keela Clark
Administrators Present: Michael Adell, Tom Butcher, and Hannah Ritchie

Welcome and Introductions

Approval of Meeting Minutes for May 9, 2018 Meeting

There was a motion to approve the May 9, 2018 Minutes.

Motion: Ed Rowan

Ayes: Ashley Indrieri, Judson Cline, Kimberly Vinci, Ed Rowan, Carol Hunt, and David Fear

Second: Ashley Indrieri

Noes: None

Abstain: Agnes Valdez

Absent: Keela Clark

Appointment of New Committee President

Michael Adell noted that with Jackie Lamb leaving the area there was an opening on the Bond Oversight Committee. He introduced Agnes Aldez who can fill the vacant spot. She gave an overview of her background. All the other committee members introduced themselves and their backgrounds as well.

Nominations were opened. Judson Cline nominated David Fear as President and Ashley Indrieri as Vice President, with a second by Ed Rowan. Nominations were closed.

David Fear noted that he was willing to serve as the President, and Ashley Indrieri noted that she was willing to serve as Vice President as well.

There was a motion to approve David Fear as President and Ashley Indrieri as Vice President.

Motion: Ed Rowan

Ayes: Ashley Indrieri, Judson Cline, Kimberly Vinci, Ed Rowan, Carol Hunt, and David Fear

Second: Agnes Valdez

Noes: None

Abstain: Agnes Valdez

Absent: Keela Clark

Measure A Project Presentation/Updates

*** Lincoln High School -**

Michael Adell shared an update w/4th Lincoln High School. He noted that they thought the portables in the parking lot area would go away but with continued growth they have added portables. This has caused a problem with parking. In the next 2 years the school will probably be at 2200 students.

*** Twelve Bridges High School -**

Michael Adell shared an updated master plan showing the proposed layout of the campus. The initial phase would house up to 1200 students. They will probably start pushing dirt in April. We will have to wait for a 2020 bond for any possible state bond money. This will cost us about \$84.5 million with everything (stadium, fields, admin building, etc). The bond that was passed covers about \$46 million. Michael shared some renderings of some buildings on the campus.

Measure N Project Presentation/Updates

*** Glen Edwards Middle School Additions and Modernization -**

Michael Adell shared the current progress at Glen Edwards Middle School. Phase 1 should be done by Fall 2019. Phase 2 contract documents have been submitted to DSA. Phase 2 should start as Phase 1 is coming to a close. He shared drawings of what the two story building should look like. Ashley Indrieri asked how it works to have the modernization money reimbursed. Michael noted that if the state reimburses the district it could help pay off the bond.

*** Leaman Elementary School -**

Michael Adell noted that we finally own this property. It was settled for \$100,000 less than the district's initial offer. The last thing needed right now is the CEQA document. The city does not have money to build the park and has asked the district to put hat in. The district hopes to start pushing dirt in May. The cost is budgeted at about \$25 million. The current plan is to open in Fall 2020.

Project Expenditure Reports

*** Measure A & Measure N-**

The committee reviewed the spreadsheets of expenses for the projects that occurred since the last meeting.

There was a motion to accept the financial reports as given.

Motion: Ed Rowan

Ayes: Ashley Indrieri, Judson Cline, Agnes Valdez, Kimberly Vinci, Ed Rowan, Carol Hunt, and David Fear

Second: Ashley Indrieri

Noes: None

Abstain: None

Absent: Keela Clark

Open Forum

Ashely Indrieri asked when there will be another community presentation on the new high school. She noted that the public is still skeptical about it actually being built. Michael Adell noted that once we get the 404 permit it will be happening. The goal is to get tractors out there by May.

Future Business

- **Next Meeting – Date/Location** **February 6, 2019**

Adjournment – 6:37 p.m.

Motion: Ed Rowan

Second: Judson Cline

Ayes: Ashley Indrieri, Judson Cline, Agnes Valdez, Kimberly Vinci, Ed Rowan, Carol Hunt, and David Fear

Noes: None

Abstain: None

Absent: Keela Clark

David Fear, President
WPUSD Bond Oversight Committee

Committee Approval Date

**Measure A Current Expenses To Date
February 6th, 2019**

Page		Master Project Number (MPN)	Total
1	General Measure A	000	\$67,944.16
2	Lincoln High School Addition and Modernization Project	001	\$11,775,152.04
3	Twelve Bridges High School	005	\$9,517,111.81
4	Lincoln High School Track	011	\$302,620.00
5	Lincoln High School Turf/Field	010	\$591,448.64
		Total To Date:	\$22,254,276.65

Measure A

MPN 000 - Miscellaneous

Pay To Name	Invoice #	Invoice Date	Payment Amt	Reference #	Check #	Street	Comment
CROWE HORWATH LLP	745-22135165 A	12/20/2018	400.00		85661916	PO BOX 51660	PROFESSIONAL SERVICES THRU 12/16/18
CROWE HORWATH LLP	745-2211926 A	12/31/2018	2,000.00		85661916	PO BOX 51660	PROFESSIONAL SERVICES THRU 11/19/18
Total			2,400.00				

Measure A

MPN 005 Twelve Bridges High School

Pay To Name	Invoice #	Invoice Date	Payment Amt	Reference #	Status	Scheduled	Check #	Comment
ECORP CONSULTING INC	85469 - OCT2018	11/5/2018	281.25	PO18-00148	Paid	11/14/2018	85653694	MPN 005 Environmental Services
ECORP CONSULTING INC	85728	12/5/2018	613.75	PO18-00148	Paid	12/19/2018	85659812	MPN 005 Environmental Services
ECORP CONSULTING INC	85949	1/7/2019	2,257.50	PO18-00148	Paid	1/11/2019	85663704	MPN 005 Environmental Services
FLINT BUILDERS, INC.	1848-08 OCT2018	11/2/2018	39,566.67	PO18-01625	Paid	11/8/2018	85652851	MPN 005 Contractor PreConstruction
FLINT BUILDERS, INC.	1848-09 NOV 2018	12/4/2018	39,566.67	PO18-01625	Paid	12/4/2018	85656786	MPN 005 Contractor PreConstruction
FLINT BUILDERS, INC.	1848-10 DEC 2018	1/3/2019	39,566.67	PO18-01625	Paid	1/8/2019	85661922	MPN 005 Contractor PreConstruction
HMC GROUP	142148	11/15/2018	163,092.45	PO17-01884	Paid	11/28/2018	85655442	MPN 005 TB New High School Design
HMC GROUP	142373 - NOV 2018	12/12/2018	101,660.00	PO17-01884	Paid	12/18/2018	85659819	MPN 005 TB New High School Design
HMC GROUP	142891	1/8/2019	41,547.57	PO17-01884	Paid	1/11/2019	85663709	MPN 005 TB New High School Design
STEWART TITLE OF SACRAMENTO	ESCROW CM- 15017174	12/17/2018	652,800.00	VR19-01515	Paid	12/17/2018	85658981	MPN 005 Escrow # CM15017174 VP Preservation Credits
STEWART TITLE OF SACRAMENTO	ESCROW FEE	12/17/2018	762.50	VR19-01515	Paid	12/17/2018	85658981	MPN 005 Escrow # CM15017174 VP Preservation Credits
SWRCB/STATE WATER RESOURCES	AP ID-504613 FEE	1/7/2019	2,416.00	VR19-01567	Paid	1/8/2019	85661942	MPN 005 Application Fee 504613
U.S. BANK NATIONAL ASSOCIATIONU.S. BANCORP PURCHASING CARD	122618E	12/19/2018	1.75		Paid	1/16/2019	85663690	Parking Stewart Title TBHS Escrow Docs
Total			1,084,132.78					

**Measure N Current Expenses To Date
February 6th, 2019**

Page	Current Projects	Master Project Number (MPN)	Estimated Total
	Miscellaneous Expenses	000	\$80,173.87
1	Leaman Elementary School	014	\$5,536,951.45
2	Gems Addition and Modernization	015	\$8,070,989.07
Total To Date:			\$13,688,114.39

Measure N

MPN 000 - Miscellaneous

Pay To Name	Invoice #	Invoice Date	Payment Amt	Reference #	vCard?	Check #	Comment
BANK OF NEW YORK MELLON CORPORATE TRUST DEPT.	252-2157517	12/5/2018	750		No	85659798	FEB 2019-JAN 2020 / GEN OB BONDS 2016 SERIES
CROWE HORWATH LLP	745-2213165 B	12/20/2018	400		No	85661916	PROFESSIONAL SERVICES THRU 12/16/18
CROWE HORWATH LLP	745-2211926 B	12/31/2018	2,000.00		No	85661916	PROFESSIONAL SERVICES THRU 11/19/18
Total			3150				

Measure N

MPN 014 Leaman Elementary School

Pay To Name	Invoice #	Invoice Date	Payment Amt	Reference #	Check #	Comment
ECORP CONSULTING INC	85462 - OCT2018	11/2/2018	1,409.68	PO18-02132	85653694	MPN 014 ECORP CEQA Review Document
ECORP CONSULTING INC	85470 - OCT2018	11/5/2018	3,490.95	PO18-01066	85653694	MPN 014 ECORP Environmental Services
ECORP CONSULTING INC	85580	11/13/2018	12,317.32	PO18-02132	85655435	MPN 014 ECORP CEQA Review Document
ECORP CONSULTING INC	85737	12/6/2018	3,720.74	PO18-01066	85659812	MPN 014 ECORP Environmental Services
ECORP CONSULTING INC	85857	12/18/2018	5,403.31	PO18-02132	85660813	MPN 014 ECORP CEQA Review Document
ECORP CONSULTING INC	85950	1/7/2019	1,036.37	PO18-01066	85663704	MPN 014 ECORP Environmental Services
HMC GROUP	142149	11/15/2018	166,400.00	PO18-00987	85655442	MPN 014 Architect Services
HMC GROUP	142374 - NOV 2018	12/12/2018	133,120.00	PO18-00987	85659819	MPN 014 Architect Services
HMC GROUP	142892	1/8/2019	41,600.00	PO18-00987	85663709	MPN 014 Architect Services
L&M RENTAL FENCE INC	18760	12/19/2018	6,940.20	PO19-01280	85660814	MPN 014 Temporary Fence
LOZANO SMITH LLP	2067718	11/9/2018	1,467.47		85655445	Professional Services
LOZANO SMITH LLP	2070851	12/12/2018	202		85660817	Professional Services
LOZANO SMITH LLP	2071893	1/7/2019	59		85664898	Professional Services
PJ'S MAIL & PARCEL SERVICE	633064 A	11/30/2018	29.88		85656796	FEDEX TO STATE TREASURER (AUDREY)
PLACER CO ENVIRONMENTAL HEALTH	MNP 014 PLAN REVIEW	12/4/2018	2,073.00	VR19-01439	85656798	MPN 014 Plan Review - HMC#3548002.000
ROEBBELEN CONTRACTING INC	1918913-01	11/9/2018	33,974.91	PO19-00804	85653704	MPN 014 Preconstruction Services
ROEBBELEN CONTRACTING INC	1918913-02	12/6/2018	11,328.92	PO19-00804	85666004	MPN 014 Preconstruction Services
ROEBBELEN CONTRACTING INC	1918913-03	1/9/2019	9,320.00	PO19-00804	85663720	MPN 014 Preconstruction Services
Total			433,893.75			

Measure N

MPN 015 - GEMS Addition & Modernization

Pay To Name	Invoice #	Invoice Date	Payment Amt	Reference #	Check #	Comment
CDE - CALIF DEPT OF EDUCATION	C-060871	11/30/2018	7,350.00	VR19-01522	85659804	MPN 015 Plan Review Fees
CENTRAL VALLEY REGIONAL WATER QUALITY CONTROL BOARD	DREDGE-FILL FEES	11/8/2018	5,041.00	VR19-01318	85652850	MPN 014 Scott Leaman Elementary WDID#5A31CR00500
LANDMARK CONSTRUCTION	7-Oct-18	11/8/2018	688,556.05	PO18-01936	85652853	MPN 015 LMC Construction Services
LANDMARK CONSTRUCTION	8-Nov-18	12/1/2018	688,556.05	PO18-01936	85659826	MPN 015 LMC Construction Services
LANDMARK CONSTRUCTION	9-Dec-18	1/1/2019	688,556.05	PO18-01936	85660815	MPN 015 LMC Construction Services
PACIFIC GAS & ELECTRIC CO	CONTRACT1245446-GEMS	1/9/2019	71,410.00	VR19-01582	85662006	MPN 015 PG&E Contract # 1245446
PLACER CO ENVIRONMENTAL HEALTH	GEMS - PHASE 2 FEE	12/4/2018	1,357.00	VR19-01426	85656797	MPN 015 Phase 2 Health Dept Application
RAINFORTH GRAU ARCHITECTS	9316	11/16/2018	31,535.00	PO17-02088	85655449	MPN 015 GEMS Add & Mod
RAINFORTH GRAU ARCHITECTS	9430	12/14/2018	29,968.76	PO17-02088	85660820	MPN 015 GEMS Add & Mod
RAINFORTH GRAU ARCHITECTS	9445	1/11/2019	201,272.90	PO17-02088	85664903	MPN 015 GEMS Add & Mod
SHARP ARCHITECTURE, INC.	18-412-09	11/15/2018	3,960.00	PO18-01817	85658188	MPN 015 Inspection Services
SHARP ARCHITECTURE, INC.	18-412-10	11/30/2018	3,520.00	PO18-01817	85658188	MPN 015 Inspection Services
SHARP ARCHITECTURE, INC.	18-412-11	12/15/2018	3,240.00	PO18-01817	85660822	MPN 015 Inspection Services
SHARP ARCHITECTURE, INC.	18-412-12	12/31/2018	2,880.00	PO18-01817	85663721	MPN 015 Inspection Services
SHARP ARCHITECTURE, INC.	18-412-13	1/15/2019	4,480.00	PO18-01817	85664905	MPN 015 Inspection Services
SWRCB/STATE WATER RESOURCES	SW-0167533	1/10/2019	484	VR19-01620	85664908	MPN 015 Annual Permit Fee
WALLACE-KUHL & ASSOCIATES	201803448	11/12/2018	9,662.75	PO18-02131	85655456	MPN 015 Special Inspection and Testing Services
WALLACE-KUHL & ASSOCIATES	201803631	12/6/2018	350	PO18-02131	85659839	MPN 015 Special Inspection and Testing Services
WALLACE-KUHL & ASSOCIATES	201803817	12/13/2018	2,225.00	PO18-02131	85660825	MPN 015 Special Inspection and Testing Services
Total			2,444,404.56			

WESTERN PLACER UNIFIED SCHOOL DISTRICT

**MEASURE A GENERAL OBLIGATION BONDS
FINANCIAL STATEMENTS**

June 30, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
Lincoln, California

MEASURE A GENERAL OBLIGATION BONDS
June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on the Financial Statements

We have audited the accompanying financial statements of Western Placer Unified School District (the "District") Measure A General Obligation Bonds (the "Bonds") activity included in the Building Fund of the District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of America. 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. The procedures selected depend on the auditor's judgment, including the assessment of risk 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 the 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 principles 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 opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Western Placer Unified School District (the "District") Measure A General Obligation Bonds activity as of June 30, 2018, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present the financial activity and balances of the Measure A General Obligation Bonds activity only, and do not purport to, and do not, present fairly the financial position of Western Placer Unified School District, as of June 30, 2018 or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018 on our consideration of the 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 for Measure A General Obligation Bonds activity. 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 for Measure A General Obligation Bonds activity. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance for the Measure A General Obligation Bonds activity.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
BALANCE SHEET
June 30, 2018

ASSETS

Cash in County Treasury (Note 2)	\$ 27,168,708
Accounts receivable	<u>26,840</u>
Total assets	<u>\$ 27,195,548</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 553,845
Fund balance – restricted (Note 3)	<u>26,641,703</u>
Total liabilities and fund balance	<u>\$ 27,195,548</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
For the Year Ended June 30, 2018

Expenditures:

Current:

Classified salaries	\$ 50,015
Employee benefits	22,136
Books and supplies	148,361
Contract services and operating expenditures	58,662
Capital outlay	<u>6,345,293</u>

Total expenditures	<u>6,624,467</u>
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Change in fund balance	(6,624,467)
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Fund balance, July 1, 2017	<u>33,266,170</u>
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Fund balance, June 30, 2018	<u>\$ 26,641,703</u>
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See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Western Placer Unified School District (the "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 policies and procedures of the Department of Education's *California School Accounting Manual*. The activities of the Measure A Bonds are recorded along with other activities in the District's Building Fund. 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 (GASB). The following is a summary of the more significant accounting policies:

Financial Reporting Entity: The financial statements include the activity and balances of the Measure A General Obligation Bonds activity, only. The activities of the Measure A General Obligation Bonds are recorded along with other activities in the District's Building Fund. These financial statements are not intended to present the financial position and results of operations of Western Placer Unified School District as a whole.

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 basic 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 liabilities, if any, is recognized when due.

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 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.

The District's Board of Trustees and Superintendent revise the budgets 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.

Cash and Cash Equivalents: For the purpose of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Placer County Treasury are considered cash equivalents.

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 during the reporting period. Actual results could differ from those estimates.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 encumbrances are liquidated as of June 30.

NOTE 2 – CASH AND INVESTMENTS

Cash at June 30, 2018 consisted of the following:

Cash in County Treasury	\$ 27,168,708
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Pooled Funds: In accordance with Education Code Section 41001, the Office of Education maintains substantially all of its cash in the interest bearing Placer County Treasurer's Pooled Investment Fund. The Office of Education is considered to be an involuntary participant in an external investment pool. The fair value of the Office of Education's investment in the pool is reported in the financial statements at amounts based upon the Office of Education's prorata 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.

Interest Rate Risk: 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, 2018, the District had no significant interest rate risk related to cash.

Credit Risk: 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: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2018, the District had no concentration of credit risk.

NOTE 3 – FUND BALANCE CLASSIFICATION

Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications are nonspendable, restricted, committed, assigned and unassigned. The fund balance of the Measure A General Obligation Bonds is restricted, as described below.

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 or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. Fund balance is restricted for capital projects of the Building Fund in accordance with the Bond Project List for Measure A General Obligation Bonds.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 – PURPOSE OF BOND ISSUANCE

Bond Authorization: By approval of the proposition for Measure A by at least 55% of the registered voters voting on the proposition at an election held on November 4, 2014, Western Placer Unified School District was authorized to issue and sell bonds of up to \$60,000,000 in aggregate principal amount.

Purpose of Bonds: The proceeds of the Bonds may be used:

"The Project List includes the construction of a new high school and the modernization, upgrade and construction projects at Lincoln High School, including:

- Provide modern technology and computers to support 21st-century education*
- Provide classrooms and instructional facilities that prepare students for college and careers*
- Modernize, renovate or replace aging classrooms and other school facilities*
- Replace aging portables with new classrooms*
- Modernize classrooms and educational facilities to meet current safety codes*
- Provide modern fire-detection, alarms, and emergency communications systems and other upgrades to ensure safety*
- Provide seismic upgrades to classrooms and school facilities*
- Provide additional classrooms to accommodate growth in student enrollment*
- Upgrade, renovate, repair and construct, as needed, facilities supporting student services, including food services, administration and counseling buildings, and other school facilities*
- Improve energy and operational efficiency to reduce maintenance and operating costs*
- Improve parking lots, including the addition of covered parking*
- Repair or replace outdated heating, lighting, electrical or sewer systems"*

As required by the California Constitution, the proceeds from the sale of bonds will be used only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

NOTE 5 – GENERAL OBLIGATION BOND ISSUANCES

The bonds are general obligations of the District, and Placer County is obligated to levy ad valorem taxes for the payment of and interest on, the principal of the bonds. The Bond Interest and Redemption Fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the payment of interest and redemption of principal of the bonds issued by the District.

In June 2015, the District issued General Obligation Bonds, Series 2007, totaling \$20,000,000. The bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through June 2041.

In May 2017, the District issued General Obligation Bonds, Series 2017B, totaling \$25,000,000. The bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through August 2047.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 6 – SUBSEQUENT EVENTS

In November 2018, the District issued \$15,000,000, related to the 2014 Series C General Obligation Bond, with interest rates between 3.375% - 5.00% maturing in August 2038.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Western Placer Unified School District
Lincoln, California

We have audited, 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 the financial statements of Western Placer Unified School District (the "District") Measure A General Obligation Bonds (the "Bonds") activity included in the Building Fund of the District, as of and for the year ended June 30, 2018, and related notes to the financial statements and have issued our report thereon dated December 14, 2018

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Placer Unified School District internal control over Measure A General Obligation Bond activity financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Placer Unified School District's internal control. Accordingly, we do not express an opinion of the effectiveness of Western Placer Unified 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Western Placer Unified School District Measure A General Obligation Bond activity included in the Building Fund of the District's financial statements are free of material misstatement, we performed tests of the District's 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

This purpose of this report is intended solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
SCHEDULE OF AUDIT FINDINGS
For the Year Ended June 30, 2018

No matters were reported.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2018

No matters were reported.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

**MEASURE A GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT**

June 30, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT

MEASURE A GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
June 30, 2018

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Western Placer Unified School District
Lincoln, California

We have conducted a performance audit of the Western Placer Unified School District (the "District") Measure A General Obligation Bond funds for the year ended June 30, 2018.

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 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 4 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure A General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for Western Placer Unified School District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of Western Placer Unified School District to determine the audit procedures that are appropriate for the purpose of providing a conclusion on 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, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal control.

The results of our procedures indicated that, in all significant respects, Western Placer Unified School District expended Measure A General Obligation Bond funds for the year ended June 30, 2018 only for the specific projects developed by the District's Board of Trustees 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.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION

LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, "for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

WESTERN PLACER UNIFIED SCHOOL DISTRICT MEASURE A GENERAL OBLIGATION BONDS

On November 4, 2014, the electorate of Western Placer Unified School District approved the \$60,000,000 million Measure A General Obligation Bonds, with greater than 55% of the votes in favor. The text of the ballot language was as follows:

"For the purpose of updating/replacing aging classrooms and support facilities, and instructional technology needed for improved teaching, replacing portable classrooms, repairing/replacing roofs, worn-out floors, electrical systems, seismic upgrades and improving energy efficiency to save money and support instruction within the District"

The District's Board of Trustees developed the following Bond Project List for Measure A:

As discussed above, the Project List includes the construction of a new high school and the modernization, upgrade and construction projects at Lincoln High School, including:

- Provide modern technology and computers to support 21st-century education
- Provide classrooms and instructional facilities that prepare students for college and careers
- Modernize, renovate or replace aging classrooms and other school facilities
- Replace aging portables with new classrooms
- Modernize classrooms and educational facilities to meet current safety codes
- Provide modern fire-detection, alarms, and emergency communications systems and other upgrades ensure safety
- Provide seismic upgrades to classrooms and school facilities
- Provide additional classrooms to accommodate growth in student enrollment
- Upgrade, renovate, repair and construct, as needed, facilities supporting student services, including food services, administration and counseling buildings, and other school facilities
- Improve energy and operational efficiency to reduce maintenance and operating costs
- Improve parking lots, including the addition of covered parking
- Repair or replace outdated heating, lighting, electrical or sewer systems

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION

WESTERN PLACER UNIFIED SCHOOL DISTRICT MEASURE A GENERAL OBLIGATION BONDS
(Continued)

In June 2015, the District issued General Obligation Bonds, Series 2007, totaling \$20,000,000. The bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through June 2041.

In May 2017, the District issued General Obligation Bonds, Series 2017B, totaling \$25,000,000. The bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through August 2047.

The financial activity related to the Measure A General Obligation Bonds is recorded within the District's Financial Activity Report for Fund 21 (Building Fund) in the District's audited financial statements for the year ended June 30, 2018.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSION
For the Fiscal Year Ended June 30, 2018

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure A General Obligation Bond funds for the year ended June 30, 2018 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

SCOPE

The District provided to us a list of all Measure A project expenditures (the "List") for the period from July 1, 2017 through and including June 30, 2018. A total of 238 expenditures representing \$6,624,467 from July 1, 2017 to June 30, 2018, were identified.

METHODOLOGY

We performed the following procedures to the List of Measure A General Obligation Bond project expenditures for the year ended June 30, 2018:

- Verified the mathematical accuracy of the expenditures List.
- Reconciled the List to total bond expenditures as reported by the District in the District's audited Measure A General Obligation Bonds financial statements for the year ended June 30, 2018.
- Selected a sample of expenditures totaling \$5,115,391. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. The sample represented 77% of the total expenditure value. Verified that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects list.

CONCLUSION

The results of our tests indicated that, in all significant respects, Western Placer Unified School District expended Measure A General Obligation Bond funds for the year ended June 30, 2018 only for the specific projects developed by the District's Board of Trustees 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.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

**MEASURE N GENERAL OBLIGATION BONDS
FINANCIAL STATEMENTS**

June 30, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
Lincoln, California
MEASURE N GENERAL OBLIGATION BONDS
June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Western Placer Unified School District
Lincoln, California

Report on the Financial Statements

We have audited the accompanying financial statements of Western Placer Unified School District (the "District") Measure N General Obligation Bonds (the "Bonds") activity included in the Building Fund of the District, as of and for the year ended June 30, 2018, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of America. 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. The procedures selected depend on the auditor's judgment, including the assessment of risk 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 the 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 principles 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 opinion.

(Continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Western Placer Unified School District (the "District") Measure N General Obligation Bonds activity as of June 30, 2018, and the changes in financial position thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present the financial activity and balances of the Measure N General Obligation Bonds activity only, and do not purport to, and do not, present fairly the financial position of Western Placer Unified School District, as of June 30, 2018 or the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2018 on our consideration of the 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 for Measure N General Obligation Bonds activity. 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 for Measure N General Obligation Bonds activity. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance for the Measure N General Obligation Bonds activity.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE N GENERAL OBLIGATION BONDS
BALANCE SHEET
June 30, 2018

ASSETS

Cash in County Treasury (Note 2)	<u>\$ 23,213,203</u>
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LIABILITIES AND FUND BALANCE

Accounts payable	\$ 848,137
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Fund balance – restricted (Note 3)	<u>22,365,066</u>
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Total liabilities and fund balance	<u>\$ 23,213,203</u>
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See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE N GENERAL OBLIGATION BONDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
For the Year Ended June 30, 2018

Expenditures:		
Current:		
Classified salaries	\$	68,665
Employee benefits		30,228
Books and supplies		1,254
Contract services and operating expenditures		120,783
Capital outlay		<u>7,057,703</u>
Total expenditures		<u>7,278,633</u>
Other financing sources:		
Interest		7,291
Change in fund balance		(7,271,342)
Fund balance, July 1, 2017		<u>29,636,408</u>
Fund balance, June 30, 2018	\$	<u>22,365,066</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE N GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Western Placer Unified School District (the "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 policies and procedures of the Department of Education's *California School Accounting Manual*. The activities of the Measure N Bonds are recorded along with other activities in the District's Building Fund. 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 (GASB). The following is a summary of the more significant accounting policies:

Financial Reporting Entity: The financial statements include the activity and balances of the Measure N General Obligation Bonds activity, only. The activities of the Measure N General Obligation Bonds are recorded along with other activities in the District's Building Fund. These financial statements are not intended to present the financial position and results of operations of Western Placer Unified School District as a whole.

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 basic 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 liabilities, if any, is recognized when due.

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 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.

The District's Board of Trustees and Superintendent revise the budgets 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.

Cash and Cash Equivalents: For the purpose of the financial statements, cash equivalents are defined as financial instruments with an original maturity of three months or less. Funds invested in the Placer County Treasury are considered cash equivalents.

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 during the reporting period. Actual results could differ from those estimates.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE N GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 encumbrances are liquidated as of June 30.

NOTE 2 – CASH AND INVESTMENTS

Cash at June 30, 2018 consisted of the following:

Cash in County Treasury	\$ 23,213,203
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Pooled Funds: In accordance with Education Code Section 41001, the Office of Education maintains substantially all of its cash in the interest bearing Placer County Treasurer's Pooled Investment Fund. The Office of Education is considered to be an involuntary participant in an external investment pool. The fair value of the Office of Education's investment in the pool is reported in the financial statements at amounts based upon the Office of Education's prorata 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.

Interest Rate Risk: 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, 2018, the District had no significant interest rate risk related to cash.

Credit Risk: 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: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2018, the District had no concentration of credit risk.

NOTE 3 – FUND BALANCE CLASSIFICATION

Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications are nonspendable, restricted, committed, assigned and unassigned. The fund balance of the Measure N General Obligation Bonds is restricted, as described below.

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 or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. Fund balance is restricted for capital projects of the Building Fund in accordance with the Bond Project List for Measure N General Obligation Bonds.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE N GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2018

NOTE 4 – PURPOSE OF BOND ISSUANCE

Bond Authorization: By approval of the proposition for Measure N by at least 55% of the registered voters voting on the proposition at an election held on November 8, 2016, Western Placer Unified School District was authorized to issue and sell bonds of up to \$60,000,000 in aggregate principal amount.

Purpose of Bonds: The proceeds of the Bonds may be used:

"Will be able to improve school safety, including fire and seismic safety; emergency and security systems; will also:

- Upgrade science labs and technology for improved 21st Century learning at Glen Edwards Middle School*
- Modernize classrooms/ facilities to support instruction in core subjects like math, science, reading and writing at Glen Edwards Middle School*
- Repair/ replace leaky roofs, floors, plumbing, lighting, electrical, HVAC and water systems at Glen Edwards Middle School*
- Renovate Glen Edwards Middle School and replace aging portables with new classrooms at Glen Edwards Middle School*
- Improve energy efficiency and reinvest the savings into instructions*
- Relieve overcrowding by constructing a new elementary school"*

As required by the California Constitution, the proceeds from the sale of bonds will be used only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities and not for any other purpose, including teacher and administrator salaries and other school operating expenses.

NOTE 5 – GENERAL OBLIGATION BOND ISSUANCES

The bonds are general obligations of the District, and Placer County is obligated to levy ad valorem taxes for the payment of and interest on, the principal of the bonds. The Bond Interest and Redemption Fund is maintained by the County Treasurer and is used to account for both the accumulation of resources from ad valorem tax levies and the payment of interest and redemption of principal of the bonds issued by the District.

On May 2017, the District issued 2016 General Obligation Bonds, Series 2017A, totaling \$30,000,000. The bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through August 2047.

NOTE 6 – SUBSEQUENT EVENTS

In November 2018, the District issued \$30,000,000, related to the 2016 Series B General Obligation Bonds, with interest rates between 3.50 % - 5.00% maturing in August 2038.



Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

Board of Trustees
Western Placer Unified School District
Lincoln, California

We have audited, 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 the financial statements of Western Placer Unified School District (the "District") Measure N General Obligation Bonds (the "Bonds") activity included in the Building Fund of the District, as of and for the year ended June 30, 2018, and related notes to the financial statements and have issued our report thereon dated December 14, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Placer Unified School District internal control over Measure N General Obligation Bond activity financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Placer Unified School District's internal control. Accordingly, we do not express an opinion of the effectiveness of Western Placer Unified 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 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over that we consider to be material weaknesses. However, material weakness may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Western Placer Unified School District Measure N General Obligation Bond activity included in the Building Fund of the District's financial statements are free of material misstatement, we performed tests of the District's 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

This purpose of this report is intended solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, 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 *Governmental Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE N GENERAL OBLIGATION BONDS
SCHEDULE OF AUDIT FINDINGS
For the Year Ended June 30, 2018

No matters were reported.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE N GENERAL OBLIGATION BONDS
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2018

No matters were reported.

WESTERN PLACER UNIFIED SCHOOL DISTRICT

**MEASURE N GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT**

June 30, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE N GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
June 30, 2018

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Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Western Placer Unified School District
Lincoln, California

We have conducted a performance audit of the Western Placer Unified School District (the "District") Measure N General Obligation Bond funds for the year ended June 30, 2018.

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 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 4 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Measure N General Obligation Bonds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution and Proposition 39 as they apply to the bonds and the net proceeds thereof. Management is responsible for Western Placer Unified School District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal controls of Western Placer Unified School District to determine the audit procedures that are appropriate for the purpose of providing a conclusion on 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, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal control.

The results of our procedures indicated that, in all significant respects, Western Placer Unified School District expended Measure N General Obligation Bond funds for the year ended June 30, 2018 only for the specific projects developed by the District's Board of Trustees 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.

Crowe LLP

Crowe LLP

Sacramento, California
December 14, 2018

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION

LEGISLATIVE HISTORY

On November 7, 2000, California voters approved Proposition 39, the Smaller Classes, Safer Schools and Financial Accountability Act. Proposition 39 amended portions of the California Constitution to provide for the issuance of general obligation bonds by school districts, "for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

WESTERN PLACER UNIFIED SCHOOL DISTRICT MEASURE N GENERAL OBLIGATION BONDS

On November 8, 2016, the electorate of Western Placer Unified School District approved the \$60,000,000 million Measure N General Obligation Bonds, with greater than 55% of the votes in favor. The text of the ballot language was as follows:

"Local Middle School Upgrade/ New Elementary School Construction Measure. To construct a new elementary school to prevent overcrowding and to upgrade/enhance/expand Glen Edwards Middle School by repairing classrooms, leaky roofs, ensuring safe drinking water, improving student safety, and updating and constructing science, math, computer labs, and a new gymnasium, shall Western Placer Unified School District issue \$60,000,000 in bonds, at legal rates, require independent audits, citizens' oversight, no money for administrators' salaries, with all funds used locally?"

The District's Board of Trustees developed the following Bond Project List for Measure N:

As discussed above, the Project List includes the construction of a new elementary school and the modernization, upgrade and construction projects at Glen Edwards Middle School, including:

- Provide modern technology and computers to support 21st-century education
- Upgrade science labs and technology for improved 21st Century learning at Glen Edwards Middle School
- Modernize classrooms/ facilities to support instruction in core subjects like math, science, reading and writing at Glen Edwards Middle School
- Repair/ replace leaky roofs, floors, plumbing, lighting, electrical, HVAC and water systems at Glen Edwards Middle School
- Renovate Glen Edwards Middle School and replace aging portables with new classrooms at Glen Edwards Middle School
- Improve energy efficiency and reinvest the savings into instructions
- Relieve overcrowding by constructing a new elementary school

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
BACKGROUND INFORMATION

WESTERN PLACER UNIFIED SCHOOL DISTRICT MEASURE N GENERAL OBLIGATION BONDS
(Continued)

On May 2017, the District issued 2016 General Obligation Bonds, Series 2017A, totaling \$30,000,000. The bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through August 2047.

The financial activity related to the Measure N General Obligation Bonds is recorded within the District's Financial Activity Report for Fund 21 (Building Fund) in the District's audited financial statements for the year ended June 30, 2018.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSION
For the Fiscal Year Ended June 30, 2018

OBJECTIVES

The objective of our performance audit was to determine that the District expended Measure N General Obligation Bond funds for the year ended June 30, 2018 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

SCOPE

The District provided to us a list of all Measure N project expenditures (the "List") for the period from July 1, 2017 through and including June 30, 2018. A total of 215 expenditures representing \$7,278,633 from July 1, 2017 to June 30, 2018, were identified.

METHODOLOGY

We performed the following procedures to the List of Measure N General Obligation Bond project expenditures for the year ended June 30, 2018:

- Verified the mathematical accuracy of the expenditures List.
- Reconciled the List to total bond expenditures as reported by the District in the District's audited Measure N General Obligation Bonds financial statements for the year ended June 30, 2018.
- Selected a sample of expenditures totaling \$5,069,707. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. The sample represented 70% of the total expenditure value. Verified that the funds were generally expended for the construction, renovation, furnishing, and equipping of school facilities constituting authorized bond projects list.

CONCLUSIONS

The results of our tests indicated that, in all significant respects, Western Placer Unified School District expended Measure N General Obligation Bond funds for the year ended June 30, 2018 only for the specific projects developed by the District's Board of Trustees 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.