

**WESTERN PLACER
UNIFIED SCHOOL DISTRICT
2015-2016**

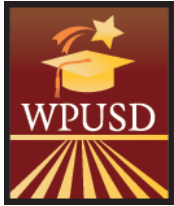
Bond Oversight Committee

February 9th, 2016

Mike Adell

Facilities Director

2015-2016



**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” Bond Oversight Committee
Tuesday February 9, 2016
5:30 PM
District Office, 1st Floor Community Meeting Room**

Agenda

- 1.0 *Welcome and Introductions*
- 2.0 *Approval of Meeting Minutes for October 13, 2015 Meeting*
- 3.0 *Project Updates/Presentation*
 - 3.1 *2014-15 Measure A General Obligation Bonds Audited
Financial Statements and Performance Audit*
 - 3.2 *Lincoln High School Addition and Modernization*
 - 3.3 *Twelve Bridges High School Site*
- 4.0 *Project Expenditure Reports*
- 5.0 *Open Forum*
- 6.0 *Future Business*
 - *Next Meeting – Date/Location*
- 6.0 *Adjourn*

WESTERN PLACER UNIFIED SCHOOL DISTRICT

BOND OVERSIGHT COMMITTEE MEETING

First Floor Meeting Room

600 6th Street, Lincoln, CA 95648

Tuesday, October 13, 2015

MINUTES

CALL TO ORDER - President Jackie Lamb called the meeting to order at 5:33 p.m.

ROLL CALL - Committee Members Present: Jackie Lamb, David Fear, Ashley Indrieri, Judson Cline, Kimberely Vinci, and Carol Hunt
Committee Members Absent: Keela Rodriguez, Ed Rowan
Administrators Present: Audrey Kilpatrick, Michael Adell

Welcome and Introductions

President Jackie Lamb started out by asking the district if the reports could also include the projected time and the projected costs for phase 1 and later we be given another column in the report that shows where we are at in the project. She asked the committee members if there any things they would want. Ashley Indrieri asked that we be given the documents ahead of time so they can be reviewed.

Audrey Kilpatrick asked if we prefer to have the documents under different timelines because some things are for Lincoln HS and some things are for the new high school which would have separate timelines. Ashley Indrieri noted that they are 2 different projects so lets have them as separate documents. David Fear asked if everyone had had a chance to look at the district Facility Plan. It was recommended that the information be placed on a spreadsheet with the projects separated out (LHS and new high school).

Jackie Lamb asked if there was any feed back on the tour that the committee members took last month. David Fear noted that it was his first time seeing the campus outside of sporting events. He was surprised at how small it was and noted that it doesn't appear that it was built to hold 2000 students

Audrey Kilpatrick noted that things were kind of patch worked. This plan is to bring it back to a structured overall plan for the campus. Michael Adell noted that the Facilities Plan is basically their guidebook.

Project Updates/Presentation

Steve Newsom, with LPA Inc., gave a recap of what is being done at Lincoln High School:

- Stadium updates:
 - Dust control around track
 - Resurface track
 - New synthetic turf on football field
 - Upgrade PA system
 - Those 4 items will take all of June, July and part of August
- Quad phase:
 - Removal of some portables
 - Creation of a new lunch shelter
 - Development of an amphitheater
 - Other areas to eat and collaborate
- New classroom wing

Steve Newsom noted that for the classroom wing (phase 1), the district is currently in the construction documents phase. In November they will file with DSA. The plan is to put out bids around April 2016, which will take a couple of months. This would allow the district to begin the building phase near the end of May. They are looking at opening the classroom wing for Fall 2017.

The budget is \$10,000,000; we are right at our budget:

One-Story Classroom Building	\$3,000,000
Portables Installed Summer 2015	\$748,000
Lunch Shelter & Covered Walks	\$500,000
Enhance Quad & Relocate 6 portables	\$1,650,000
Turf, & Track Upgrades	\$1,200,000
Existing Classroom Technology	\$500,000
Sub-total	\$7,598,000
Soft Costs	\$2,400,000
Total	\$9,998,000

Judson Cline asked what is included in the soft costs. Steve Newsom noted that the soft costs include the engineer fees, agencies fees, inspections, permits, and testing inspections. He used 24% of the budget to get this figure. Jackie Lamb asked if the desks, tables and chairs were included in the costs. Audrey Kilpatrick noted that those items are not included; the district funds growth for classes out of developer fees.

David Fear asked what are the chances are that we will be able to stay under \$10,000,000. It was noted that the district has to. There may be some technology that they would have to cut. Audrey Kilpatrick noted that they are currently working on a standard of technology for all classrooms in the district. There are ways that they can support the technology that can be funded other ways. Jackie Lamb asked if there is still E-Rate funding available. Audrey Kilpatrick stated that there still is, for some things. She also noted that they have already started upgrading in all of the schools; this would enhance what they have.

David Fear asked if the district can break out what the soft costs are. It was noted that these things can be detailed out to help the committee understand the costs. Judson Cline stated that we need to understand the costs; that is why we are on this committee. The amounts seem high, but we need to understand the school construction costs. Audrey Kilpatrick noted that they could definitely spell out those soft costs.

Next Steps

Michael Adell noted that they have located architectural engineering services, topographic surveys have been completed, and they have the civil engineering drawings. The geotechnical, geohazard, and soil reports were completed over the summer. Those are some of the soft costs. Over the summer they completed 4 portable classrooms and restrooms. Now they need to move 6 portables to complete that area, and this could be accomplished over the summer.

As far as the new high school, 10 years ago the district did studies on the site. The district is good as far as approvals from the department of education. There is a portion of property that was originally purchased by Sierra College that the district will need to purchase; they need to get an approval for the additional land. The purchase agreement is an initial deposit of \$500,000. The district will have an appraisal within 6 months of purchase, and the cost will be 75% of the appraisal or \$2.9 million. It was last appraised 2 years ago, but we need to get another one done. The district is working on getting the 23 additional acres approved for purchase. We drew out enough money from the Bond to purchase the land. If there is any testing to be done, we can draw out of that money.

Project Expenditure Reports

Michael Adell went over the expenditures. It was noted that the total amounts listed under Encumbered are the contract amounts, not how much has actually been paid out so far. Each of the line items were discussed (see Measure A Expenditure Spreadsheets 1 & 2).

For future reports, Audrey Kilpatrick noted that they can give a line item (of what has actually been paid to date). They can also code items with "S" for soft cost and "C" for construction costs.

The Measure A Expenses to Date were received and discussed by the committee.

Open Forum

There was nothing discussed at this time.

Future Business

- **Next Meeting – Date/Location** Tuesday, February 9th

It was asked when the committee would need to report to the school board. It was recommended that the committee look at reporting at the first meeting in June. Jackie Lamb asked if it could be made public that the committee is in place and meeting.

Adjournment – 6:55 p.m.

Jackie Lamb, President
WPUSD Bond Oversight Committee

Committee Approval Date

WESTERN PLACER UNIFIED SCHOOL DISTRICT

**MEASURE A GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT**

June 30, 2015

WESTERN PLACER UNIFIED SCHOOL DISTRICT

MEASURE A GENERAL OBLIGATION BONDS
PERFORMANCE AUDIT
June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Western Placer Unified School District
Lincoln, California

We have conducted a performance audit of Western Placer Unified School District (the "District") Measure A General Obligation Bond funds for the year ended June 30, 2015.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 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 if internal controls were adequate to help ensure the District's compliance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution. Accordingly, we do not express any assurance on the internal control.

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, 2015 only for the specific projects developed by the District's Governing Board and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.



Crowe Horwath LLP

Sacramento, California
December 14, 2015

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)

On June 4, 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.

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, 2015.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSIONS

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, 2015 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, 2014 through and including June 30, 2015. A total of 33 expenditures representing approximately \$374,052 from July 1, 2014 to June 30, 2015, 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, 2015:

- Interviewed District management related to controls over planning, bidding, contracting, expenditure of bond funds and financial reporting have been put in place and are working as documented.
- Documented District procedures and controls over planning, bidding, contracting, expenditure of bond funds and financial reporting.
- Performed test to determine that the District controls over planning, bidding, contracting, expenditure of bond funds and financial reporting have been put in place and are working as documented.
- 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 financial statements for the year ended June 30, 2015, presented within the Building Fund.
- Selected a sample of 7 expenditures totaling \$274,477 from Measure A. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. Verified that the expenditures were for authorized projects as developed by the Board of Trustees.

CONCLUSIONS

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, 2015 only for the specific projects developed by the District's Governing Board and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
SCHEDULE OF SELECTED MEASURE A BOND EXPENDITURES
For the Fiscal Year Ended June 30, 2015

<u>Date</u>	<u>Description</u>	<u>Amount</u>
6/17/2015	Construction on LHS	\$ 66,781
6/17/2015	Construction on LHS	120,205
6/26/2015	Architecture/engineering services for LHS	19,758
6/30/2015	Architecture/engineering services for LHS	51,562
6/30/2015	Inspection services for LHS portables	1,275
6/23/2015	Transfer of expenditure for furniture	3,450
6/23/2015	Transfer of expenditure for legal planning fees	<u>11,446</u>
		<u>\$ 274,477</u>

WESTERN PLACER UNIFIED SCHOOL DISTRICT

**MEASURE A GENERAL OBLIGATION BONDS
FINANCIAL STATEMENTS**

June 30, 2015

WESTERN PLACER UNIFIED SCHOOL DISTRICT
Lincoln, California
MEASURE A GENERAL OBLIGATION BONDS
June 30, 2015

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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 activity included in the Building Fund of the District, as of and for the year ended June 30, 2015, 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. 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 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 Measure A General Obligation Bonds as of June 30, 2015, and the changes in financial position 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 financial activity and balances of the Measure A General Obligation Bonds only, and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2015, and the changes in 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 Report Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 14, 2015 on our consideration of the District's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters for the Measure A General Obligation Bonds. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 14, 2015

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
BALANCE SHEET
June 30, 2015

ASSETS

Cash in Country Treasury (Note 2)	\$ <u>19,324,476</u>
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LIABILITIES AND FUND BALANCE

Accounts payable	\$ 58,306
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Fund balance – restricted (Note 3)	<u>19,266,170</u>
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Total liabilities and fund balance:	\$ <u>19,324,476</u>
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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, 2015

Expenditures:	
Contract services and operating expenditures	\$ 51,768
Capital outlay	<u>322,284</u>
Total expenditures	<u>374,052</u>
Deficiency of revenues under expenditures	<u>(374,052)</u>
Other financing sources:	
Proceeds from the issuance of debt	<u>19,640,222</u>
Net change in fund balance	19,266,170
Fund balance, July 1, 2014	<u>-</u>
Fund balance, June 30, 2015	<u>\$ 19,266,170</u>

See accompanying notes to financial statements.

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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, 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.

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.

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.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 2 – CASH AND INVESTMENTS

Cash at June 30, 2015 consisted of the following:

Cash in County Treasury	\$ 19,324,476
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Cash in County Treasury: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the interest bearing Placer County Treasurer's Pooled Investment Fund. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited monthly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the Pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the Placer County Treasury may invest in derivative securities. However, at June 30, 2015 the Placer County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

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, 2015, 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, 2015, 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.

(Continued)

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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.

Measure A: On June 4, 2015 the District issued Measure A General Obligation Bonds, totaling \$20 million.

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, 2015, and related notes to the financial statements and have issued our report thereon dated December 14, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Western Placer Unified School District Measure A General Obligation Bonds activity included in the Building Fund of the 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Western Placer Unified School District Measure A General Obligation Bonds activity included in the Building Fund of the District's internal control. Accordingly, we do not express an opinion of the effectiveness of Western Placer Unified School District Measure A General Obligation Bonds activity included in the Building Fund of the 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.

(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Western Placer Unified School District Measure A General Obligation Bonds 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 Western Placer Unified School District's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 14, 2015

WESTERN PLACER UNIFIED SCHOOL DISTRICT
MEASURE A GENERAL OBLIGATION BONDS
SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2015

No matters were reported.

**Measure A Expenses To Date
February 9th, 2016**

	Account Code	Total
Lincoln High School Addition and Modernization Project	21.9277	\$863,507.39
Lincoln High School Portable Project	21.9034	\$751,371.01

Total To Date: \$1,614,878.40

Western Placer Unified School District
Soft Cost Estimate
October 14, 2015

Architect/Engineer	10.0%
Material Testing	2.0%
Project Inspector	2.5%
Program Manager	1.5%
Printing/Advertising	0.5%
Hazmat Abatement	1.5%
CEQA	0.5%
Bond Consultant	2.0%
Agency Fees	1.5%
DSA	
TRPA	
CDE	
Health Dept.	
Reports/Surveys	0.5%
Geotech	
Geohazard	
Topo Survey	
Other	2.5%
Legal	
District Admin.	
Misc.	
TOTAL	25.0%

Measure A Expenditure Spreadsheet 1 of 2

Lincoln High School Addition and Modernization and Twelve Bridges New High School 21.9277											
Req #	PO #	Req Date	Total Amt	Expensed	Encumbered	Requisitioner	Comment	Soft/Hard Cost	Status	Vendor	Completed
VR15-02384	PO15-02013	3/25/2015	\$ 729,250.00	411,674.54	317,575.46	Michael Adell	LHS Addition & Modernization Architect Fees	Soft Cost - A/E	Ready for Payment	LPA INC.	
VR16-00334	PO16-00289	7/14/2015	\$ 12,891.98	12,891.98	0.00	Tsugu Furuyama	LHS Replacement Computers in Library	Hard Cost - F&E	Complete	CDW GOVERNMENT INC	1/14/2016
VR16-00342	PO16-00290	7/16/2015	\$ 12,000.00	12,000.00	0.00	Michael Adell	LHS Additional & Modernization Surveying Services	Soft Cost - Report/Survey	Complete	WARREN CONSULT ENGINEERS INC	9/3/2015
VR16-00343	PO16-00291	7/16/2015	\$ 10,425.95	10,425.95	0.00	Michael Adell	LHS Addition Geotechnical Eng. & Geo Hazard Report	Soft Cost - Report/Survey	Complete	WALLACE-KUHL & ASSOCIATES	10/22/2015
VR16-00436	PO16-00364	7/31/2015	\$ 13,290.00	3,641.75	9,648.25	Michael Adell	LHS Landscape & Water Consumption Report Services	Soft Cost - A/E	Ready for Payment	LPA INC.	
VR16-00513	PO16-00421	8/11/2015	\$ 841.40	841.40	0.00	Tsugu Furuyama	LHS-Adapters for Replacement Computers in Library	Hard Cost - F&E	Complete	CDW GOVERNMENT INC	9/10/2015
VR16-01275	PO16-01040	10/22/2015	\$ 3,000.00	3,000.00	0.00	Michael Adell	TBHS Phase 1 Environmental Site Assessment for 23 acre	Soft Cost - Report/Survey	Complete	Padre Associates Inc.	12/17/2015
VR16-01295	PO16-01041	10/23/2015	\$ 4,000.00	4,000.00	0.00	Michael Adell	TBHS Apprasial	Soft Cost - Report/Survey	Complete	Seevers Jordan Ziegenmeyer	12/3/2015
VR16-01411		11/5/2015	\$ 63,000.00	63,000.00	0.00	Michael Adell	LHS DSA Plan Check Fees	Soft Cost - Agency Fees	Complete	DSA	11/10/2015
VR16-01412		11/5/2015	\$ 3,600.00	3,600.00	0.00	Michael Adell	LHS Geological Survey	Soft Cost - Agency Fees	Complete	The California Geological Survey	11/10/2015
VR16-01569	PO16-01216	12/1/2015	\$ 5,708.06	5,708.06	0.00	Audrey Kilpatrick	LHS Replacement Projectors, Printers, and Tech equipment	Hard Cost- F&E	Complete	CDW GOVERNMENT INC	1/28/2016
VR16-01723		12/17/2015	\$ 1,500.00	1,500.00	0.00	Michael Adell	TBHS Phase 1 Environmental Site Assessment	Soft Cost - Agency Fees	Complete	DTSC	1/7/2016
VR16-01762		1/5/2016	\$ 4,000.00	4,000.00	0.00	Audrey Kilpatrick	Performance Audit of District's financial statements for Measure A	Soft Cost - Other Dist. Admin.	Complete	Crowe Horwath LLP	1/14/2016

Total: \$ 863,507.39 536,283.68 327,223.71

Measure A Expenditure Spreadsheet 2 of 2
Lincoln High School Portable Project Resource 21.9034

Req #	PO #	Order Type	Req Date	Total Amt	Expensed	Encumbered	Requisitioner	Comment	Soft/Hard Cost	Status	Vendor	Completed
VR15-02578		Direct Payment	4/14/2015	\$ 4,500.00	\$ 4,500.00	\$ -	Michael Adell	LHS Portable DSA Plan Check Fees	Soft Cost - Agency Fees	Complete	DSA - DIVISION OF THE STATE ARCHITECT	4/23/2015
VR15-02672	PO15-02136	PO w/o Receiving	4/17/2015	\$ 51,500.00	\$ 49,303.14	\$ 2,196.86	Michael Adell	LHS Portable Project Architect Fees	Soft Cost - A/E	Complete	LPA INC.	
VR15-02971	PO15-02404	PO w/o Receiving	6/11/2015	\$ 267,122.72	\$ 267,122.72	\$ -	Michael Adell	LHS Portables, Ramp, Deck Expenses	Hard Cost - Construction	Complete	IMPACT CONSTRUCTION SRVS INC	9/1/2015
VR16-00251	PO16-00252	PO w/o Receiving	6/18/2015	\$ 356,587.00	\$ 356,587.00	\$ -	Michael Adell	Lincoln Portable Building Addition Project-Construction Services	Hard Cost - Construction	Complete	BRCO CONSTRUCTION, INC.	
VR16-00291	PO16-00249	PO w/o Receiving	6/24/2015	\$ 2,113.25	\$ 2,113.25	\$ -	Michael Adell	LHS Portable Building Inspection Services	Soft Cost - Materials Testing	Complete	WALLACE-KUHL & ASSOCIATES	10/1/2015
VR15-02999	PO15-02414	PO w/o Receiving	6/26/2015	\$ 300.00	\$ 300.00	\$ -	Michael Adell	LHS Portables IOR Fees-May 2015	Soft Cost - Project Inspector	Complete	ALAN S BROOKS	7/9/2015
VR16-00330	PO16-00283	PO w/o Receiving	7/14/2015	\$ 45,184.36	\$ 45,184.36	\$ -	Tsugu Furuyama	LHS Computer Replacement-Room 5, Main Lab, and Portables	Soft Cost - Agency Fees	Complete	SCHOOL TECH SUPPLY	10/15/2015
VR16-00369	PO16-00297	PO w/o Receiving	7/22/2015	\$ 6,400.63	\$ 6,400.63	\$ -	Tsugu Furuyama	LHS Portables Tech Equipment	Hard Cost-Agency Fees	Complete	SHI INTERNATIONAL CORP	11/19/2015
VR16-00456		Direct Payment	8/4/2015	\$ 2,250.00	\$ 2,250.00	\$ -	Michael Adell	Lincoln HS IOR Fees July 2015	Soft Cost - Project Inspect.	Complete	ALAN S BROOKS	8/11/2015
VR16-00485	PO16-00393	PO w/o Receiving	8/6/2015	\$ 2,573.55	\$ 2,573.55	\$ -	Tsugu Furuyama / Michael Adell	LHS Portable Network Materials	Hard Cost-F&E	Complete	SHI INTERNATIONAL CORP	8/20/2015
VR16-00694		Direct Payment	8/26/2015	\$ 67.73	\$ 67.73	\$ -	Michael Adell	LHS Portable Restroom Supplies	Hard Cost - Supplies	Complete	SAC VAL JANITORIAL SALES	9/1/2015

VR16-00760		Direct Payment	9/2/2015	\$ 4,253.74	\$ 4,253.74	\$ -	Michael Adell	LHS Portable Locks and Keys	Hard Cost - Construction	Complete	ROY R. RADTKE - DBA APPROVED SAFE & LOCK	9/3/2015
VR16-00772		Direct Payment	9/2/2015	\$ 708.26	\$ 708.26	\$ -	Michael Adell	LHS Portable Restroom Supplies	Hard Cost - Supplies	Complete	SAC VAL JANITORIAL SALES	9/10/2015
VR16-00774		Direct Payment	9/2/2015	\$ 435.00	\$ 435.00	\$ -	Michael Adell	LHS Portable Telephone Installation	Hard Cost - Construction	Complete	C & S TELECOMMUNICATIONS INC	9/10/2015
VR16-00776		Direct Payment	9/2/2015	\$ 3,225.00	\$ 3,225.00	\$ -	Michael Adell	Lincoln HS IOR Fees August 2015	Soft Cost - Project Inspect.	Complete	ALAN S BROOKS	9/10/2015
VR16-00843		Direct Payment	9/10/2015	\$ 673.28	\$ 673.28	\$ -	Michael Adell	LHS Portable Restroom Supplies	Hard Cost - Supplies	Complete	SAC VAL JANITORIAL SALES	9/24/2015
VR16-01099		Direct Payment	10/1/2015	\$ 150.00	\$ 150.00	\$ -	Michael Adell	Lincoln HS IOR Fees September 2015	Soft Cost - Project Inspect.	Complete	ALAN S BROOKS	10/8/2015
VR16-01394		Direct Payment	11/4/2015	\$ 225.00	\$ 225.00	\$ -	Michael Adell	LHS IOR Fees October 2015	Soft Cost - Project Inspect	Complete	ALAN S BROOKS	11/19/2015
VR16-01572		Direct Payment	12/1/2015	\$ 225.00	\$ 225.00	\$ -	Michael Adell	LHS IOR Fees November	Soft Cost - Project Inspect	Complete	ALAN S BROOKS	12/17/2015
VR16-01586		Direct Payment	12/2/2015	\$ 191.68	\$ 191.68	\$ -	Michael Adell	LHS Portables Key and Locks	Hard Cost - Construction	Complete	ROY R. RADTKE - DBA APPROVED SAFE & LOCK	12/17/2015
VR16-01736		Direct Payment	12/21/2015	\$ 2,684.81	\$ 2,684.81	\$ -	Michael Adell	LHS Portable DSA CCD Fee	Soft Cost - Agency Fees	Complete	DSA - DIVISION OF THE STATE ARCHITECT	1/7/2016
Total:				\$ 751,371.01	\$ 749,174.15	\$ 2,196.86						