

**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***

**Governing Board Members and
Citizens' Bond Oversight Committee
Vista Unified School District
Vista, California**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Measure LL Building Fund of Vista Unified School District, which comprise the balance sheet as of June 30, 2019, and the related statements of revenues, expenditures, and change in fund balance for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 10, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Vista Unified School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Vista Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Vista 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses or significant deficiencies. However, material weaknesses or significant deficiencies may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Vista Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

William A. King & Co., LLP

El Cajon, California
March 10, 2020

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board Members and Citizens' Bond Oversight Committee Vista Unified School District Vista, California

We were engaged to conduct a performance audit of the Vista Unified School District Measure LL Building Fund for the year ended June 30, 2019.

Management's Responsibility for Performance Compliance

Our audit was limited to the objectives listed with the report which includes the District's compliance with the performance requirements as referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

Auditor's Responsibility

We conducted this performance audit in accordance with the standards applicable to performance 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 sufficient, appropriate evidence to provide a reasonable basis for our conclusions based on our audit objectives.

In planning and performing our performance audit, we obtained an understanding of the Fund's internal control in order to determine if the internal controls were adequate to help ensure the Fund's compliance with the requirements of Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion on the effectiveness of the Measure LL Building Fund of Vista Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements for the Measure LL General Obligation Bonds for the fiscal year ended June 30, 2019. The objective of the audit of compliance applicable to Vista Unified School District is to determine with reasonable assurance that:

- The proceeds from the sale of the Measure LL Bonds were only used for the purposes set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Governing Board of the District, in establishing the approved projects set forth in the ballot measure to modernize, replace, renovate, construct, acquire, equip, furnish, and otherwise improve facilities of the District as noted in the bond project list.

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

Internal Control Evaluation

Procedure Performed:

Inquiries were made of management regarding internal controls to:

- Prevent fraud, waste, or abuse regarding Measure LL resources
- Prevent material misstatement in the Measure LL Building Fund financial statements
- Ensure all expenditures are properly allocated
- Ensure adequate separation of duties exists in the accounting of the Measure LL fund

The District office requires purchase requisitions for all expenditures. All requisitions are reviewed for proper supporting documentation. The requisitions then get approved from the Director of Purchasing. The Director of Purchasing verifies that all expenditures are properly recorded by project and expense category. When the purchase requisition has gone through the approval process, it will then be turned into a purchase order. Purchase orders are then processed via the District's normal purchase order system. Purchase orders are then provided to the vendor who then proceeds to perform the requested service or provide the requested item. After the service is performed or item received, and subsequent invoice is received requesting payment, the lead accountant or director of fiscal services verifies the services were performed or the items were received and then invoices are processed for payment.

The District has established a separate Measure LL Building Fund to properly account for the receipt of bond proceeds and expenditures. The District has properly recorded receipts of bond proceeds within the Measure LL Building Fund.

Results of Procedures Performed

The results of our audit determined the internal control procedures as implemented are sufficient to meet the financial and compliance objectives required by generally accepted accounting principles and applicable laws and regulations.

Test of Expenditures

Procedures Performed:

We tested expenditures to determine whether Measure LL funds were spent solely on voter and Board approved school facilities projects as set forth in the Bond Project List and the Measure LL ballot measure language. Our testing included a sample of bond expenditures totaling \$1,477,182 or 94% of the expenditures for the year.

Results of Procedures Performed:

We found no instances where expenditures tested were not in compliance with the terms of Measure LL ballot measure and applicable state laws and regulations.

Facilities Site Review

Procedures Performed:

We reviewed the Independent Citizens' Bond Oversight Committee minutes and agenda and other pertinent information on Measure LL designated projects and determined that Measure LL funds expended for the year ended June 30, 2019 were for valid facilities acquisition and construction purposes as stated in the Bond Project List.

Results of Procedures Performed:

Based on our review of the minutes and agenda of the Independent Citizens' Bond Oversight Committee, the documentation and pertinent information of the Measure LL designated projects, and the explanation of management, it appears the construction work performed was consistent with the Bond Project List.

Tests of Contracts and Bid Procedures

Procedures Performed:

We reviewed the District's board minutes for approval of construction contracts and change orders, if any, to determine compliance with the District's policy and Public Contract Code provisions related to bidding procedures and contracting. In addition, we reviewed advertisements and bid packets returned, if applicable.

Results of Procedures Performed:

We noted no instances where the District was out of compliance with respect to contracts and bidding procedures.

Citizens' Bond Oversight Committee

Procedures Performed:

We have reviewed the minutes of the Independent Citizens' Bond Oversight Committee meetings to verify compliance with Education Code Sections 15278 through 15282.

Results of Procedures Performed:

We have determined the Vista Unified School District's Measure LL Citizens' Bond Oversight Committee and its involvement is in compliance with Education Code Sections 15278 through 15282. Our audit of compliance made for the purposes set forth in the second and third paragraphs of this report above would not necessarily disclose all instance of noncompliance. In our opinion, the District complied, in all material respects, with the compliance requirements for the Measure LL Building Fund for the fiscal year ended June 30, 2019.

Opinion on Performance

In our opinion, the District complied, in all material respects, with the compliance requirements of Proposition 39 outlined in Article XIII A, Section 1(b)(3)(c) of the California Constitution, and with Measure LL approved by the voters in the Vista Unified School District on November 6, 2018.

Purpose of the Report

This report is intended solely for the information and use of the District’s Governing Board, the Measure LL Citizens’ Bond Oversight Committee, management, others within the entity, and the taxpayers of Vista Unified School District and is not intended to be and should not be used by anyone other than these specified parties.

William Stanley King & Co. LLP

El Cajon, California
March 10, 2020

FINDINGS AND RECOMMENDATIONS

**VISTA UNIFIED SCHOOL DISTRICT
MEASURE LL BUILDING FUND
GENERAL OBLIGATION BONDS
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED JUNE 30, 2019**

There were no findings to report.

**VISTA UNIFIED SCHOOL DISTRICT
MEASURE LL BUILDING FUND
GENERAL OBLIGATION BONDS
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2019**

There were no findings reported for the year ended June 30, 2018. The financial statements and performance audit for Measure LL as of June 30, 2019 was the initial and first year for audit reporting.