TRACY UNIFIED SCHOOL DISTRICT
SAN JOAQUIN COUNTY
TRACY, CALIFORNIA

BUILDING FUND - MEASURE B

PERFORMANCE AUDIT

JUNE 30, 2025

TRACY UNIFIED SCHOOL DISTRICT

BUILDING FUND - MEASURE B

PERFORMANCE AUDIT

JUNE 30, 2025

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STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Board of Trustees and
Citizens' Oversight Committee
Tracy Unified School District
Tracy, California

We have conducted a performance audit of the Tracy Unified School District's Building Fund - Measure B for the year ended June 30, 2025.

We conducted our performance audit in accordance with 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 findings and conclusions 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 within this report which includes determining the District's compliance with the performance requirements as referred to in Proposition 39, as incorporated in Article XIIIA, Section 1(b)(3)(C) of the California Constitution. Management is responsible for the District's compliance with those requirements.

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

The results of our tests indicated that, in all significant respects, the proceeds from the sale of the Measure B, General Obligation Bonds, Election of 2014, which were deposited into the Building Fund - Measure B, were expended only on projects approved by the voters, in accordance with Proposition 39, as incorporated in Article XIIIA, Section 1(b)(3)(C) of the California Constitution.

Stephen Roatch Accountancy Corporation

STEPHEN ROATCH ACCOUNTANCY CORPORATION
Certified Public Accountants

January 23, 2026

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TRACY UNIFIED SCHOOL DISTRICT

BUILDING FUND - MEASURE B

PERFORMANCE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Background

In a general election held on November 7, 2000, California voters approved Proposition 39, which provides that the governing board of a school district may pursue the authorization and issuance of bonds by a 55% vote of the electorate. As a result of the passage of Proposition 39, language was added to the Education Code addressing the requirement to establish a Citizens' Oversight Committee to monitor and audit bond proceeds to ensure they are spent only on school and classroom improvements and not for any other purpose.

Proposition 39 contains two specific reporting requirements that are applicable to the District's general obligation bond program. The first requirement is for school district boards to provide for an annual, independent financial audit of the proceeds from the sale of the bonds until all of the funds have been expended for school facilities projects. The second requirement is for school district boards to provide for an annual, independent performance audit to ensure that the bond funds have been expended only on the specific projects listed in the ballot measure.

Financial audits provide reasonable assurance about whether the financial statements of an entity present fairly the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

Performance audits are an objective and systematic examination of evidence for the purpose of providing an independent assessment of the performance of an organization, program, or activity, in order to provide information to improve public accountability and facilitate decision making by parties with responsibility to oversee or initiate corrective action.

On February 11, 2014, the Board of Trustees of Tracy Unified School District voted to place a 55% school facilities bond (Measure B) on the June 2014 ballot. On June 3, 2014, the Measure B bonds were authorized at a special election of the registered voters of the District, at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of general obligation bonds with a principal amount not to exceed $82,000,000. The bonds were authorized to finance the renovation, construction, and improvement of school facilities.

Objectives of the Audit

The objectives of the performance audit were to determine with reasonable assurance that:

- The expenditures charged to the Building Fund - Measure B are properly documented.
- Expenditures charged to the Building Fund - Measure B have been made in accordance with the bond project list approved by the voters through the approval of Measure B in June 2014.
- Any discrepancies or weaknesses in internal controls are noted and recommendations for improvement are provided.
- The District's Board of Trustees and Citizen's Bond Oversight Committee are provided with financial and performance audits report as required by the California Constitution and Proposition 39.

TRACY UNIFIED SCHOOL DISTRICT

BUILDING FUND - MEASURE B

PERFORMANCE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Scope of the Audit

The scope of our performance audit covered the fiscal period of July 1, 2024 to June 30, 2025. The population of expenditures tested included all object and project codes associated with the bond projects. The propriety of expenditures for capital projects and maintenance projects funded through other State or local funding sources, other than the proceeds of the bonds, were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2025 were not reviewed or included within the scope of our audit or in this report.

Procedures Performed

We obtained the general ledger and project expenditure reports prepared by the District for the fiscal year ended June 30, 2025, for the Building Fund - Measure B. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and Measure B with regards to the approved bond projects list.

To meet our objectives, audit tests were performed and included, but were not limited to the following procedures:

- Reviewed bond sale transactions and determined that bond proceeds were deposited into the appropriate District funds and/or bond trustee accounts, as applicable.

- We reviewed the approved project listing as set out in the Measure "B" 2014 election documents.

- We verified that funds from the Building Fund - Measure B were generally expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects, and we verified that funds held in the Building Fund - Measure B were not used for salaries of school administrators or other operating expenditures of the District. The District did not have any expenditures in the 2024-25 fiscal year.

- We reviewed a sample of projects to ensure that proper bidding procedures were followed pursuant to Public Contract Code Section 20111 and Section 22032, as applicable.

Conclusion

The results of our tests indicated that, in all significant respects, the Tracy Unified School District has properly accounted for the bond proceeds in the Building Fund - Measure B and that expenditures were made for authorized bond projects in accordance with Proposition 39, as incorporated in Article XIIIA, Section 1(b)(3)(C) of the California Constitution.

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

TRACY UNIFIED SCHOOL DISTRICT

BUILDING FUND - MEASURE B

SCHEDULE OF FINDINGS AND RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

There are no matters to report for the fiscal year ended June 30, 2025.

TRACY UNIFIED SCHOOL DISTRICT

BUILDING FUND - MEASURE B

STATUS OF PRIOR YEAR RECOMMENDATIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

There were no matters reported in the prior year's audit report.