

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
FINANCIAL AUDIT REPORT  
FISCAL YEAR ENDED JUNE 30, 2009

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
FINANCIAL AUDIT REPORT  
JUNE 30, 2009

**CONTENTS**

	<b>PAGE</b>
Independent Auditors' Report	1
Balance Sheet	2
Statement of Revenue, Expenditures, and Changes in Fund Balance	3
Statement of Revenue, Expenditures, and Changes in Fund Balance Budget and Actual	4
Notes to the Basic Financial Statements	5
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	9

**ROBERTS AND JAMES**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
2100 "E" STREET  
BAKERSFIELD, CALIFORNIA 93301  
rjcpa@att.net

NANCY L. ROBERTS, CPA  
TELEPHONE  
(661) 327-4511

SEAN JAMES, CPA  
FACSIMILE  
(661) 327-4509

The Board of Trustees  
Bond Oversight Committee  
Maricopa Unified School District  
Maricopa, California

Independent Auditors' Report

We have audited the accompanying balance sheet of the 2004 Election 2005 & 2006 Series General Obligation Bond (the "Fund") of Maricopa Unified School District (the "District") as of June 30, 2009, and the related statements of revenues, expenditures and changes in fund balance and of revenue expenditures, and changes in fund balance budget to actual as of and for the fiscal year ended June 30, 2009. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial and 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 reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the individual 2004 Election 2005 & 2006 Series General Obligation Bond and are not intended to present fairly the financial position of the District in conformity with generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the 2004 Election 2005 & 2006 Series General Obligation Bond of Maricopa Unified School District, as of June 30, 2009, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 4, 2012 on our consideration of 2004 Election 2005 & 2006 Series General Obligation Bond of the Maricopa Unified School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

*Roberts and James*

ROBERTS AND JAMES  
CERTIFIED PUBLIC ACCOUNTANTS

May 4, 2012

MARICOPA UNIFIED SCHOOL DISTRICT  
 PROPOSITION 39 GENERAL OBLIGATION BOND BUILDING FUND  
 2004 ELECTION 2005 AND 2006 SERIES BOND MEASURE  
 BALANCE SHEET  
 FOR THE YEAR ENDING JUNE 30, 2009

ASSETS	
Cash in County Treasury	\$ 6,124,475
Accounts receivable	<u>28,805</u>
ASSETS	<u><u>\$ 6,153,280</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	<u>\$ -</u>
Fund Balances	
Restricted for construction	<u>\$ 6,153,280</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 6,153,280</u></u>

The notes to the financial statements are an integral part of these statements.

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BOND BUILDING FUND  
2004 ELECTION 2005 AND 2006 SERIES BOND MEASURE  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDING JUNE 30, 2009

REVENUES	
Interest earnings	<u>\$ 144,645</u>
Total Revenues	<u>144,645</u>
EXPENDITURES	
Supplies - noncapitalized equipment	-
Services and other operating expenditures	197,403
Capital outlay	<u>-</u>
Total Expenditures	<u>197,403</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,758)
OTHER FINANCING SOURCES (USES)	
Proceeds from sale of bonds	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>
Net Change in Fund Balance	(52,758)
Fund Balance June 30, 2008	<u>6,206,038</u>
Fund Balance June 30, 2009	<u><u>\$ 6,153,280</u></u>

The notes to the financial statements are an integral part of these statements.

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BOND BUILDING FUND  
2004 ELECTION 2005 AND 2006 SERIES BOND MEASURE  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2009

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
REVENUES			
Interest earnings	<u>\$ -</u>	<u>\$ 144,645</u>	<u>\$ 144,645</u>
Total Revenues	<u>-</u>	<u>144,645</u>	<u>144,645</u>
EXPENDITURES			
Supplies - noncapitalized equipment	-	-	-
Services and other operating expenditures	331,709	197,403	134,306
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>331,709</u>	<u>197,403</u>	<u>134,306</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(331,709)	(52,758)	278,951
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of bonds	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(331,709)	(52,758)	278,951
Fund Balance June 30, 2008	<u>6,206,038</u>	<u>6,206,038</u>	<u>-</u>
Fund Balance June 30, 2009	<u><u>\$ 5,874,329</u></u>	<u><u>\$ 6,153,280</u></u>	<u><u>\$ 278,951</u></u>

The notes to the financial statements are an integral part of these statements.

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2009

**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES**

Reporting Entity

In the Election of 2004, the District voters authorized \$6,000,000 in General Obligation Bonds for the purpose of funding projects including upgrades of the gymnasium, auditorium, library/computer lab, playing surfaces, playground equipment, fencing and landscaping, the repair of classroom interiors, roofs and heating, ventilation and air conditioning systems and improvements to other systems and facilities to ensure student health and safety and to pay costs of Bond issuance. In response, an advisory committee to the District's Governing Board and Superintendent, the 2005 Bond Oversight Committee, should have been established. The Committee's oversight goals include: advising on bond construction priorities, reviewing school bond construction plans, verifying that project plans are in alignment with the budget, and ensuring compliance with conditions of the 2004 Election 2005 & 2006 Series Bond Measure.

The bond proceeds and uses are accounted for in the District's Bond Building Fund. Expenditures in the Building Fund that are funded through the School Facilities Funding are not included within the scope of this audit. The statements presented are for the individual Building Fund and are not intended to be a complete presentation of the District's financial position or results of operations.

Accounting Policies

The Maricopa Unified School District accounts for financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

Basis of Accounting

The financial statements of the Building Fund 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 when the related liability is incurred. The exception to this general rule is that principle and interest on general obligation long-term debt, if any, is recognized when due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve a portion 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.

## Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates

## **NOTE 2 – CASH**

### Policies and Practices

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; security of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligation with first priority security; and collateralized mortgage obligations.

Cash in County Treasury – The District is considered an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata 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.

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Treasury. The Fund maintains an investment with the Kern County Investment Pool with a fair value of approximately \$6,124,475 and a book value of \$6,124,475.

### Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The investment with the Kern County Investment Pool is rated AAA/MR1 by Moody's Investor Service.

### Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond the amount stipulated by the California Government code. District investments that are greater than 5 percent of total investments are in either an external investment pool or mutual funds and are therefore exempt.

**NOTE 3 – ACCOUNTS RECEIVABLE**

Accounts receivable at June 30, 2009 in the amount of \$28,805 represent the amount due from the Kern County Treasurer for interest earnings for the quarter ended June 30, 2009.

**NOTE 4 – 2004 ELECTION - 2006 SERIES GENERAL OBLIGATION BONDS**

The bonds were authorized at an election of the registered voters in 2004 at which more than 55 percent of the voters authorized the issuance and sale of \$6,000,000 general obligation bonds. The bonds are general obligations of the District. The County is obligated to levy ad valorem taxes upon all property within the district for the payment of interest and principal of the bonds.

The District's General Obligation Bonds of \$2,999,990 with interest of 4.0% to 4.5% from the election of 2004 – Series 2005B.

Year End June 30,	Principal	Interest	Total
2010	\$ 109,516	\$ 164,104	\$ 273,620
2011	65,135	148,485	213,620
2012	60,529	158,091	218,620
2013	56,159	167,461	223,620
2014	52,028	176,592	228,620
2015	48,133	185,487	233,620
2016	24,538	149,082	173,620
2017	23,259	155,361	178,620
2018	95,000	93,620	188,620
2019	100,000	89,820	189,820
2020	115,000	85,820	200,820
2021	125,000	81,220	206,220
2022	135,000	76,064	211,064
2023	150,000	70,495	220,495
2024	160,000	64,120	224,120
2025	175,000	57,320	232,320
2026	190,000	49,795	239,795
2027	205,000	41,625	246,625
2028	220,000	32,400	252,400
2029	240,000	22,500	262,500
2030	260,000	11,700	271,700
Totals	<u>\$ 2,609,297</u>	<u>\$ 2,081,162</u>	<u>\$ 4,690,459</u>

Maricopa Unified School District issued \$2,999,996 general obligation bonds (\$2,495,000 current interest bonds and \$504,996 capital appreciation bonds) from the 2004 election Series 2006 with interest rates ranging from 4.0% to 4.5%.

Year End June 30,	Principal	Interest	Total
2010	\$ -	\$ 105,445	\$ 105,445
2011	-	105,445	105,445
2012	-	105,445	105,445
2013	-	105,445	105,445
2014	-	105,445	105,445
2015	-	105,445	105,445
2016	-	105,445	105,445
2017	-	105,445	105,445
2018	225,000	100,804	325,804
2019	235,000	91,317	326,317
2020	245,000	81,325	326,325
2021	255,000	70,825	325,825
2022	260,000	60,010	320,010
2023	275,000	48,775	323,775
2024	320,000	36,120	356,120
2025	330,000	22,145	352,145
2026	350,000	7,525	357,525
Totals	\$ 2,495,000	\$ 1,362,406	\$ 3,857,406

Year End June 30,	Principal	Interest	Total
2010	\$ -	\$ -	\$ -
2011	82,867	47,133	130,000
2012	76,594	58,406	135,000
2013	70,699	69,301	140,000
2014	65,175	79,825	145,000
2015	60,010	89,990	150,000
2016	78,340	141,660	220,000
2017	71,311	153,689	225,000
Totals	\$ 504,996	\$ 640,004	\$ 1,145,000

**NOTE 5 – SUBSEQUENT EVENTS**

There are no reportable subsequent events through May 4, 2012.

**ROBERTS AND JAMES**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
2100 "E" STREET  
BAKERSFIELD, CALIFORNIA 93301  
rjcpa@att.net

NANCY L. ROBERTS, CPA  
TELEPHONE  
(661) 327-4511

SEAN JAMES, CPA  
FACSIMILE  
(661) 327-4509

Board of Trustees and the  
Citizen's Bond Oversight Committee  
Maricopa Unified School District  
Maricopa, California

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

We have audited the financial statements of the 2004 Election 2005 & 2006 Series General Obligation Bond of the Maricopa Unified School District (the "District") as of June 30, 2009, and have issued our report thereon dated May 4, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Bond of Maricopa Unified School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Maricopa Unified School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Maricopa Unified School District's internal control over financial reporting. A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects of the Maricopa Unified School District's ability to initiate, authorize, record, process or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Maricopa Unified School District's financial statements that is more than inconsequential will not be prevented by the Maricopa Unified School District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Maricopa Unified School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we considered to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Maricopa Unified School District's financial statements are free of material misstatements, 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*. Incidents of noncompliance are reported under the 2004 Election – 2005 & 2006 Series Bond Measure Performance Audit.

This report is intended solely for the information and use of management, others within the organization, the Board of Trustees, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Roberts and James*

ROBERTS AND JAMES  
CERTIFIED PUBLIC ACCOUNTANTS

May 4, 2012

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
PERFORMANCE AUDIT  
FISCAL YEAR ENDED JUNE 30, 2009

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
PERFORMANCE AUDIT  
JUNE 30, 2009

**CONTENTS**

	<b>PAGE</b>
Independent Auditors' Report	1
Objectives	2
Scope of the Audit	2
Background Information	3
Procedures Performed	4
Conclusion	5
Schedule of Findings and Recommendations	6

NANCY L. ROBERTS, CPA  
TELEPHONE  
(661) 327-4511

**ROBERTS AND JAMES**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
2100 "E" STREET  
BAKERSFIELD, CALIFORNIA 93301  
*rjcpa@att.net*

SEAN JAMES, CPA  
FACSIMILE  
(661) 327-4509

The Board of Trustees  
Bond Oversight Committee  
Maricopa Unified School District  
Maricopa, California

Independent Auditors' Report

We have examined the Maricopa Unified School District's compliance with the performance requirements for the Proposition 39 General Obligation Bonds 2005 & 2006 Series Bond Measure for the fiscal year ended June 30, 2009, 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 the Maricopa Unified School District's compliance with those requirements. Our responsibility is to express opinions on the Maricopa Unified School District's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Maricopa Unified School District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on Maricopa Unified School District's compliance with specific requirements.

In our opinion, except for the items described in the accompanying schedule of findings and recommendations, the Maricopa Unified School District complied, in all material respects, with the aforementioned requirements for the fiscal year ended June 30, 2009.

*Roberts and James*

ROBERTS AND JAMES  
CERTIFIED PUBLIC ACCOUNTANTS

May 4, 2012

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
PERFORMANCE AUDIT  
JUNE 30, 2009

**OBJECTIVES**

The objectives of our performance audit were to:

- Determine the expenditures charged to the Maricopa Unified School District Bond Building Fund;
- Determine whether expenditures charged to the Bond Building Fund have been made in accordance with the bond project list approved by the voters through the approval of the 2004 Election 2005 & 2006 Series Bond Measure;
- Note any incongruities or system weaknesses and provide recommendation for improvement;
- The District and the Citizen's Oversight Committee fulfilled their responsibilities under Proposition 39;
- Provide the District Board and the Citizen's Oversight Committee with a performance audit as specified under the requirements of the California Constitution and Proposition 39.

**SCOPE OF THE AUDIT**

The scope of our performance audit covered the period of July 1, 2008 to June 30, 2009. The 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, 2009 were not reviewed or included within the scope of our audit.

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
PERFORMANCE AUDIT  
JUNE 30, 2009

**BACKGROUND INFORMATION**

In November 2000, the voters of the State of California approved Proposition 39 authorizing the issuance of general obligation bonds by California public school districts and community colleges under certain circumstances and subject to certain conditions. In 2004, a general obligation bond proposition of the Maricopa Unified School District was approved by the voters of the District. The Bond Measure authorized the District to issue up to \$6,000,000 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions.

Pursuant to the requirements of Proposition 39 and related state legislation, the Board of Education of the District should establish a Citizen's Bond Oversight Committee and appoint its initial members. The principle purpose of the Citizen's Bond Oversight Committee, as set out in state law, is to inform the public as to the expenditures made using the proceeds of the bond issued pursuant to the bond authorization. The Citizen's Bond Oversight Committee is required to issue at least one report annually as to its activities and findings.

Section 1(b)(3)(C) of Article XIII A of the California Constitution requires the District to conduct an annual independent performance audit to ensure that the proceeds of the bonds deposited into the Bond Building fund have been expended only for authorized bond projects.

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
PERFORMANCE AUDIT  
JUNE 30, 2009

**PROCEDURES PERFORMED**

We obtained the general ledger prepared by the District for the period July 1, 2008 to June 30, 2009 for the Bond Building Fund. Within the period audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and the 2004 Election with regards to the approved bond projects list. We performed the following procedures:

- Reviewed the projects listed to be funded with general obligation bond proceeds as set out in the 2004 Election documents;
- Selected a sample of expenditures for the period July 1, 2008 to June 30, 2009 and reviewed supporting documentation to ensure that such funds were properly expended on the authorized bond projects;
- Verified that funds from the Bond Building Fund were generally expended for the purpose of funding projects including upgrades of the gymnasium, auditorium, library/computer lab, playing surfaces, playground equipment, fencing and landscaping, the repair of classroom interiors, roofs and heating, ventilation and air conditioning systems and improvements to other systems and facilities to ensure student health and safety and to pay costs of Bond issuance. Furthermore, we verified that funds expended from the Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.
- Reviewed compliance with requirements for membership and meeting procedures.

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
PERFORMANCE AUDIT  
JUNE 30, 2009

**CONCLUSION**

Based upon our procedures performed, we found that for the items tested, the Maricopa Unified School District has properly accounted for the expenditures of the funds held in the Bond Building Fund – 2004 Election 2005 & 2006 Series Bond Measure and that such expenditures were made for authorized bond projects. Furthermore, it was noted that the funds held in the Bond Building Fund – 2004 Election 2005 & 2006 Series Bond Measure, and expended by the District, were not expended for salaries of school administrators or other operating expenditures.

However, we did note procedural matters, which should be considered and are reflected in the accompanying schedule of findings and recommendations. Our audit does not provide a legal determination on the District's compliance with these requirements.

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
PERFORMANCE AUDIT  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2009

**FINDING 2009 – 01 – CITIZEN’S BOND OVERSIGHT COMMITTEE**

Criteria or Specific Requirement

1. The Committee will consist of at least seven members who are not District employees or vendors, and fulfill the five category requirements.
2. The Committee must meet at least annually.
3. The Committee will review expenditures for proper use of taxpayers’ money and to insure the District is in compliance with the requirements of Article XIII A, Section 1(b)(3)(C) of the California Constitution.
4. The Committee will issue an Annual Report to the public.
5. The School District Board must adopt policies, guidelines, and procedures for the Committee and must provide the necessary assistance to hold meetings and update the Committee Internet Website.

Condition

1. The Committee did not meet and therefore did not fulfill the membership requirement.
2. The Committee did not meet.
3. The Committee did not review expenditures.
4. An Annual Report was not issued.
5. The policies and procedures for the Committee were not adopted by the Board of Trustees and there was no Committee Internet Website.

Effect

The School District and the Committee are not in compliance with Proposition 39 requirements.

Cause

The District and Committee were unclear concerning the Committee responsibilities. This was due to the turnover of the administration. From 2005 to 2012, the District has had six Superintendents.

Questioned Costs

None

Recommendation

A Citizen’s Oversight Committee must be formed of at least seven members, must meet at least annually, and issue an annual report. Documentation must be maintained on policies, meetings, committee membership, and the annual report.

District’s Response

The Maricopa Unified School District will adopt the required procedures for the Bond Oversight Committee. The Committee will meet a minimum of once a year and then report to the Board of Education on its findings. The agendas and minutes of the Committee will be posted on the Oversight Committee website.

MARICOPA UNIFIED SCHOOL DISTRICT  
PROPOSITION 39 GENERAL OBLIGATION BONDS  
2004 ELECTION 2005 & 2006 SERIES BOND MEASURE  
PERFORMANCE AUDIT  
SCHEDULE OF FINDINGS AND RECOMMENDATIONS  
JUNE 30, 2009

**FINDING 2009 – 02 – INDEPENDENT PERFORMANCE AND FINANCIAL AUDITS**

Criteria or Specific Requirement

There must be annual independent performance and financial audits.

Condition

The 2009 audits were not conducted until 2012.

Effect

The School District and the Committee are not in compliance with Proposition 39 requirements.

Cause

The District and the Committee were unclear concerning the Committee responsibilities. This was due to the turnover of the administration. From 2005 to 2012, the District has had six Superintendents.

Questioned Costs

None

Recommendation

Annual performance and financial audits must be conducted until all Proposition 39 Bond funds are spent.

District's Response

The Maricopa Unified School District will conduct an annual audit of the Bond Fund until all funds are spent.