

EL CAMINO COMMUNITY COLLEGE DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
2002 MEASURE E AND 2012 MEASURE E (MEASURE E)
FINANCIAL AND PERFORMANCE AUDITS
June 30, 2019



CLAconnect.com

WEALTH ADVISORY
OUTSOURCING
AUDIT, TAX, AND
CONSULTING

EL CAMINO COMMUNITY COLLEGE DISTRICT

TABLE OF CONTENTS

June 30, 2019

Financial Audit of Measure E Revenue Bond Construction Funds	1
Independent Auditors' Report.....	2
Balance Sheet – Measure E Revenue Bond Construction Funds	4
Statement of Revenues, Expenditures, and Changes in Fund Balance – Measure E Revenue Bond Construction Funds	5
Notes to the Financial Statements.....	6
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	11
Schedule of Findings and Responses.....	13
Performance Audit of Measure E	14
Independent Auditors' Report.....	15
Background Information.....	16
Objectives	16
Scope of the Audit	17
Procedures Performed.....	17
Conclusion	17

**FINANCIAL AUDIT OF MEASURE E
REVENUE BOND CONSTRUCTION FUNDS**



INDEPENDENT AUDITORS' REPORT

The Board of Trustees
The Measure E Citizens' Bond Oversight Committee
El Camino Community College District
Torrance, California

Report on the Financial Statements

We have audited the accompanying financial statements of the 2002 Measure E and 2012 Measure E (Measure E) financial statements of the El Camino Community College District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's Measure E Revenue Bond Construction Funds 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.

Auditors' 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 of material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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.

INDEPENDENT AUDITORS' REPORT

The Board of Trustees
The Measure E Citizens' Bond Oversight Committee
El Camino Community College District
Torrance, California

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Measure E Revenue Bond Construction Funds of the District as of June 30, 2019, and the respective 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 fairly only the Measure E Revenue Bond Construction Funds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2019 or the change in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2020 on our consideration of the District's internal control over the Measure E Revenue Bond Construction Funds financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over the Measure E Revenue Bond Construction Funds 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 the Measure E Revenue Bond Construction Funds financial reporting and compliance.



CliftonLarsonAllen LLP
Glendora, California
February 26, 2020

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MEASURE E REVENUE BOND CONSTRUCTION FUNDS**

**BALANCE SHEET
June 30, 2019**

	<u>2002</u>	<u>2012</u>
	<u>Measure E</u>	<u>Measure E</u>
<u>Assets</u>		
Cash in county treasury	\$ 5,973,034	\$ 89,166,110
Accounts receivable	36,306	510,388
Due from other funds	-	1,021,328
Total Assets	<u>\$ 6,009,340</u>	<u>\$ 90,697,826</u>
 <u>Liabilities and Fund Balance</u>		
Liabilities		
Accounts payable	\$ 646,797	\$ 8,422,118
Due to other funds	<u>1,021,328</u>	<u>-</u>
Total Liabilities	<u>1,668,125</u>	<u>8,422,118</u>
 Fund Balance		
Restricted	<u>4,341,215</u>	<u>82,275,708</u>
Total Fund Balance	<u>4,341,215</u>	<u>82,275,708</u>
Total Liabilities and Fund Balance	<u>\$ 6,009,340</u>	<u>\$ 90,697,826</u>

See accompanying notes to the financial statements

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MEASURE E REVENUE BOND CONSTRUCTION FUNDS**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019**

	<u>2002</u>	<u>2012</u>
	Measure E	Measure E
Revenues		
Interest and investment income	\$ 196,429	\$ 2,087,005
Other local revenue	<u>223,400</u>	<u>-</u>
Total Revenues	<u>419,829</u>	<u>2,087,005</u>
 Expenditures		
Other services	113,801	3,440,352
Capital outlay	<u>8,126,428</u>	<u>36,296,878</u>
Total Expenditures	<u>8,240,229</u>	<u>39,737,230</u>
 Deficiency of revenues over expenditures	(7,820,400)	(37,650,225)
 Other Financing Sources		
Proceeds from sale of bonds	<u>-</u>	<u>50,000,000</u>
Total Other Financing Sources	<u>-</u>	<u>50,000,000</u>
 Net change in fund balance	(7,820,400)	12,349,775
 Fund Balance at Beginning of Year	<u>12,161,615</u>	<u>69,925,933</u>
 Fund Balance at End of Year	<u>\$ 4,341,215</u>	<u>\$ 82,275,708</u>

See accompanying notes to the financial statements

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MEASURE E REVENUE BOND CONSTRUCTION FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and *Audits of State and Local Governmental Units* issued by the American Institute of Certified Public Accountants.

Financial Reporting Entity

The financial statements include only the Measure E Revenue Bond Construction Funds of the District used to account for Measure E projects. These funds were established to account for the expenditures of general obligation bonds issued under the General Obligation Bonds Election of 2002 and 2012. These financial statements are not intended to present fairly the financial position and results of operations of the District in compliance with accounting principles generally accepted in the United States of America.

Basis of Accounting

The Measure E Revenue Bond Construction Funds are maintained on the modified accrual basis of accounting. As such, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered). Cash in the county treasury is recorded at cost, which approximates fair value.

Fund Structure

The Statement of Revenues, Expenditures and Changes in Fund Balance is a statement of financial activities of the Measure E Revenue Bond Construction Funds related to the current reporting period. Fund expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, these statements do not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MEASURE E REVENUE BOND CONSTRUCTION FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Balance Classification

The governmental fund financial statements present fund balance classifications that comprise a hierarchy based on the extent to which the District is bound to honor constraints on the specific purposes for which amounts can be spent. Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation are considered restricted. The fund balances of the Measure E Revenue Bond Construction Funds are therefore classified as restricted.

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Measure E Revenue Bond Construction Funds are determined by its measurement focus. The Measure E Revenue Bond Construction Funds are accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Measure E Revenue Bond Construction Funds are accounted for in the basic financial statements of the District.

Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 2: DEPOSITS AND INVESTMENTS

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Los Angeles County Treasury as part of the common investment pool. The District is considered an involuntary participant in the investment pool. These pooled funds are recorded at amortized cost which approximates fair value. Fair value of the pooled investments at June 30, 2019 is measured at 99.90% of amortized cost. The District’s deposits in the fund are considered to be highly liquid.

The county is authorized to deposit cash and invest excess funds by California Government Code Sections 53534, 53601, 53635, and 53648. The county is restricted to invest time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MEASURE E REVENUE BOND CONSTRUCTION FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019**

NOTE 2: DEPOSITS AND INVESTMENTS

investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The funds maintained by the county are either secured by federal depository insurance or are collateralized. The county investment pool is not required to be rated. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county investment pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it an SEC Rule 2a7-like pool. California Government Code statues and the County Board of Supervisors set forth the various investment policies that the Country Treasurer follow. The method used to determine the value of the participant's equity withdrawn is based on the book value, which is amortized cost, of the participant's percentage participation on the date of such withdrawals.

The pool sponsor's annual financial report may be obtained from the Los Angeles County Public Affairs Office, Kenneth Hahn Hall of Administration, 500 W. Temple St, Room 358, Los Angeles, CA 90012.

NOTE 3: BONDED DEBT

On November 5, 2002, the District voters authorized through 2002 Measure E the issuance and sale of general obligation bonds totaling \$394,516,464 which provides that proceeds of the bonds will be used to finance the acquisition and improvement of real property.

Between 2003 and 2012, the District issued bonds, Series A through C, totaling \$394,512,882. In 2005, the District issued refunding bonds to refund a portion of Series A bonds. In 2012, the District issued refunding bonds to refund a portion of Series B bonds. In 2016, the District issued refunding bonds to refund a portion of Series B bonds and the remaining portion of the 2005 refunding bonds.

On November 6, 2012, the District voters authorized through 2012 Measure E the issuance and sale of general obligation bonds totaling \$350,000,000 which provides that proceeds of the bonds will be used to finance the acquisition and improvement of real property.

In 2016 and 2018, the District issued bonds, Series A and Series B, totaling \$150,000,000.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MEASURE E REVENUE BOND CONSTRUCTION FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019**

NOTE 3: BONDED DEBT

The outstanding general obligation bonded debt of the District at June 30, 2019 is:

General Obligation Bonds	Date of Issue	Date of Maturity	Interest Rate %	Amount of Original Issue	Outstanding June 30, 2019
2002 Measure E:					
Series C	8/23/2012	8/1/2038	4.0-5.0	\$ 180,812,882	\$ 177,350,103
Total 2002 Measure E				<u>180,812,882</u>	<u>177,350,103</u>
2012 Measure E:					
Series A	1/28/2016	8/1/2045	2.0-5.0	100,000,000	90,750,000
Series B	8/29/2018	8/1/2048	3.0-5.0	50,000,000	50,000,000
Total 2012 Measure E				<u>150,000,000</u>	<u>140,750,000</u>
Refunding Bonds:					
2012 Refunding	8/23/2012	8/1/2023	2.0-5.0	41,755,000	30,935,000
2016 Refunding	1/28/2016	8/1/2031	2.0-5.0	85,825,000	71,165,000
Total Refunding Bonds				<u>127,580,000</u>	<u>102,100,000</u>
Total				<u>\$ 458,392,882</u>	<u>\$ 420,200,103</u>

The annual debt service requirements to maturity as of June 30, 2019 are as follows:

Year Ending June 30,	Principal	Interest	Accreted Interest
2020	\$ 15,870,084	\$ 11,868,500	\$ 969,916
2021	15,904,713	11,288,850	800,287
2022	15,072,378	10,726,475	1,192,622
2023	14,870,871	10,180,350	1,669,129
2024	14,377,701	9,735,850	3,632,299
2025-2029	75,211,254	43,526,750	31,653,746
2030-2034	78,954,273	34,875,013	68,765,727
2035-2039	93,693,829	27,769,000	102,413,788
2040-2044	50,165,000	15,870,725	-
2045-2049	46,080,000	4,639,200	-
Total	<u>\$ 420,200,103</u>	<u>\$ 180,480,713</u>	<u>\$ 211,097,514</u>

Capital appreciation bonds were issued as part of the 2005 refunding and Series C issuances. Prior to their applicable maturity dates, each capital appreciation bond will accrete interest on the principal component, with all interest accreting through the applicable maturity date and payable only upon maturity or prior payment of the principal component. Accreted interest accrued has been reflected in the long term debt balance on the District's basic financial statements.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MEASURE E REVENUE BOND CONSTRUCTION FUNDS**

**NOTES TO THE FINANCIAL STATEMENTS
For the Fiscal Year Ended June 30, 2019**

NOTE 4: COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of June 30, 2019, the District was committed under various capital expenditure purchase agreements for all Measure E bond projects totaling approximately \$45 million.

Litigation

The District is involved in claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the District's Measure E financial statements.



**INDEPENDENT AUDITORS' 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**

The Board of Trustees
The Measure E Citizens' Bond Oversight Committee
El Camino Community College District
Torrance, 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 the Measure E Revenue Bond Construction Funds of the El Camino Community College District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements as listed in the table of contents, and have issued our report thereon dated February 26, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered 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 opinions on the financial statements, 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.

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 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. However, material weaknesses may exist that have not been identified.

**INDEPENDENT AUDITORS' 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***

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's Measure E Revenue Bond Construction Funds 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 non-compliance 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Glendora, California
February 26, 2020

**EL CAMINO COMMUNITY COLLEGE DISTRICT
MEASURE E REVENUE BOND CONSTRUCTION FUNDS**

**SCHEDULE OF FINDINGS AND RESPONSES
June 30, 2019**

There were no findings related to the financial audit of the Measure E Revenue Bond Construction Funds for the year ended June 30, 2019. In addition, there were no findings related to the financial audit of the Measure E Revenue Bond Construction Funds for the year ended June 30, 2018.

PERFORMANCE AUDIT OF MEASURE E



INDEPENDENT AUDITORS' REPORT

The Board of Trustees
The Measure E Citizens' Bond Oversight Committee
El Camino Community College District
Torrance, California

We have conducted a performance audit of the El Camino Community College District (the District) Measure E bond funds for the year ended June 30, 2019.

We conducted our performance audit in accordance with generally accepted *Government Auditing Standards*. 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 on page 16 of this report which includes determining the District's compliance with the performance requirements for the Proposition 39 Measure E bond funds under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Management is responsible for the District's compliance with those requirements.

Solely to assist us in planning and performing our performance audit, we obtained an understanding of the internal control of the 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 internal control.

The results of our tests indicated that, in all significant respects, the District expended Measure E bond funds for the fiscal year ended June 30, 2019, only for the specific projects developed by the District's Board of Trustees, and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP
Glendora, California
February 26, 2020

**EL CAMINO COMMUNITY COLLEGE DISTRICT
PERFORMANCE AUDIT OF MEASURE E**

June 30, 2019

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.

On November 5, 2002, a general obligation bond proposition (2002 Measure E) of the District was approved by the voters of that District. 2002 Measure E authorized the District to issue up to \$394,516,464 of general obligation bonds to finance various capital projects and related costs, as specified in the bond measure provisions.

On November 6, 2012, a general obligation bond proposition (2012 Measure E) of the District was approved by the voters of that District. 2012 Measure E authorized the District to issue up to \$350,000,000 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 Trustees of the District established a Citizens' Bond Oversight Committee and appointed its members. The principal purpose of the Citizens' Bond Oversight Committee, as set out in state law, is to inform the public as to the expenditures of the proceeds of the bonds issued pursuant to the Measure E bond authorization. The Citizens' 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 Measure E Revenue Bond Construction Funds have been expended only for the authorized bond projects.

OBJECTIVES

The objectives of our performance audit were to:

- Determine the expenditures charged to the District Measure E Revenue Bond Construction Funds.
- Determine whether expenditures charged to the Measure E Revenue Bond Construction Funds have been made in accordance with the bond project list approved by the voters through the approval of Measure E in November 2002 and Measure E in November 2012.

**EL CAMINO COMMUNITY COLLEGE DISTRICT
PERFORMANCE AUDIT OF MEASURE E**

June 30, 2019

SCOPE OF THE AUDIT

The scope of our performance audit covered the fiscal period from July 1, 2018 to June 30, 2019. 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, 2019, were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

- We identified the expenditures and projects charged to the general obligation bond proceeds by obtaining the general ledger and project listing.
- We selected a judgmental sample of expenditures considering all object codes and projects for the year ended June 30, 2019. Our sample included 92 transactions totaling \$40,007,610. This represents 83% of total expenditures of \$47,977,459.
- We reviewed the actual invoices and supporting documentation to determine that expenditures charged to projects were:
 - Supported by invoices with evidence of proper approval and documentation of receipt of goods or services;
 - Supported by proper bid documentation, as applicable;
 - Properly expended on the authorized bond projects as listed on the voter-approved bond project list.

CONCLUSION

The results of our tests indicated that, in all significant respects, the District has properly accounted for the expenditures of the funds held in the Measure E Revenue Bond Construction Funds and that such expenditures were made on authorized bond projects and not expended for salaries of school administrators or other operating expenditures.

