

**GRANT JOINT
UNION HIGH
SCHOOL DISTRICT**

**BOND
PERFORMANCE
AUDIT**

FEBRUARY 28, 2008

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Board of Trustees and
Independent Citizens' Bond Oversight
Committee for Measure G
Grant Joint Union High School District
Sacramento, California

We have performed the procedures enumerated in Attachment II, which were agreed to by Grant Joint Union High School District (the "District"), solely to assist the Independent Citizens' Bond Oversight Committee for Measure G in evaluating District management's assertions concerning disbursements of bond funds from July 1, 2007 through February 29, 2008. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the District. Consequently, we make no representation regarding the sufficiency of the procedures described in Attachment II either for the purpose for which this report has been requested or for any other purpose.

Background information regarding Measure G bonds is included as Attachment I. The procedures performed and conclusions reached as a result of these procedures are identified in Attachment II. Attachment III provides information regarding the financial activity and balances of bond funds for the period from July 1, 2007 through February 29, 2008.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed other procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of Grant Joint Union High School District and the Independent Citizens' Bond Oversight Committee for Measure G and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Perry-Smith LLP

April 25, 2008

**GRANT JOINT UNION HIGH SCHOOL DISTRICT
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, community college districts, or county offices of education, "for the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of rental property for school facilities", upon approval by 55% of the electorate.

GRANT JOINT UNION HIGH SCHOOL DISTRICT MEASURE G GENERAL OBLIGATION BONDS

On June 6, 2006, the electorate of the Grant Joint Union High School District approved the \$230,000,000 Measure G general obligation bonds with greater than 55% of the votes in favor. The text of the ballot language was as follows:

To build and renovate school libraries, install fire safety equipment, remove hazardous materials for student health and safety, upgrade electrical systems to support classroom computers, replace outdated plumbing, repair leaking roofs, build new classrooms to reduce overcrowding, and make other specified school facility improvements, shall Grant Joint Union High School District issue \$230 million in bonds, at legal interest rates, with independent citizen oversight, all funds benefiting local schools and no funds going to administrator salaries or the State?

On September 29, 2006, the District issued \$55,000,000 of Measure G bonds with interest rates ranging from 4.0% to 5.0% and maturing on August 1, 2027.

The specific project list was attached to the original resolution as Exhibit A and included projects at the following sites within the District:

Don Julio Jr. High School
Foothill Farms Jr. High School
Martin Luther King Jr. High School
Norwood Jr. High School
Rio Linda Jr. High School
Rio Tierra Jr. High School
Miles P. Richmond School
Pacific High School
Vista Nueva Campus
Foothill High School
Grant High School
Highlands High School
New High School / Jr. High School / North Natomas Education Complex
Rio Linda High School
Maintenance, Operations, Transportation, Administration Complex
Conversion of District Offices Complex to Educational Site

**GRANT JOINT UNION HIGH SCHOOL DISTRICT
BACKGROUND INFORMATION**
(Continued)

**GRANT JOINT UNION HIGH SCHOOL DISTRICT MEASURE G GENERAL OBLIGATION
BONDS** (Continued)

Grant Skills Center
McClellan Park Building #7
Winona Site
Other Authorized Projects

**GRANT JOINT UNION HIGH SCHOOL DISTRICT
PROCEDURES PERFORMED AND CONCLUSIONS**

PROCEDURES PERFORMED

- We prepared a reconciliation of Measure G Bond funds, detailing Bond revenues and expenditures for the period July 1, 2007 through February 29, 2008.
- District management provided us with a detail of Measure G project-related expenditures totaling \$37,559,648. This detail included Measure G Bond funds, as well as Interim Bond Advancement funds used for Measure G projects. From this detail, we selected a sample of 70 expenditures totaling \$26,950,331. The sample was selected to provide a representation across specific construction projects, vendors, and expenditure amounts. The sample represented 72% of the total expenditure value. Verified that funds were used for the repair, renovation, replacement, acquisition and furnishing of District sites and that funds were not spent for any non-project related salaries or other administrative expenses.

CONCLUSION

- The reconciliation of Measure G Bond proceeds is located at Attachment III, as "Summary Financial Information".
- Each of the 70 expenditures tested represented valid Bond expenditures, were properly charged to the location indicated, were properly coded as to the nature of the expenditure, and were determined to represent construction, 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 and were not spent for non-project related salaries or other administrative expenses.

Board of Trustees and
Independent Citizens' Bond Oversight
Committee for Measure G
Grant Joint Union High School District
Sacramento, California

We have compiled the accompanying Schedules of Measure G General Obligation Bond Summary Financial Information (Attachment III) and Summary Project Expenditures (Attachment IV) for the period July 1, 2007 through February 29, 2008, in accordance with Statement on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying Schedules of Measure G General Obligation Bond Summary Financial Information and Summary Project Expenditures for the period July 1, 2007 through February 29, 2008 and, accordingly, do not express an opinion or other form of assurance on it.

Perry-Smith LLP

Sacramento, California
April 25, 2008

GRANT JOINT UNION HIGH SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
SUMMARY FINANCIAL INFORMATION

For the Period July 1, 2007 through February 29, 2008

	<u>Measure G</u>
Revenues:	
Interest and investment income	\$ 119
Interfund transfers	540,682
Proceeds from bond advancement	<u>133,000,000</u>
Total revenues	<u>133,540,801</u>
Expenditures:	
Classified salaries	449,747
Employee benefits	149,061
Supplies	1,667,395
Contract services	447,081
Capital outlay	33,976,273
Transfers out	205,091
Cost of Issuance for bond advancement	<u>665,000</u>
Total expenditures	<u>37,559,648</u>
Excess of expenditures over revenues	95,981,153
Beginning fund balance, July 1, 2007	<u>12,341,578</u>
Ending fund balance, February 29, 2008	<u>\$ 108,322,731</u>

**GRANT JOINT UNION HIGH SCHOOL DISTRICT
GENERAL OBLIGATION BONDS
SUMMARY PROJECT EXPENDITURES**

For the Period July 1, 2007 through February 29, 2008

<u>Project Description</u>	<u>Project Number</u>	<u>Expenditures</u>
ENEC Contractor	541	\$ 9,485,935
Project Management	543	745,841
Additional High/Jr High School Land – 21 acres	544	6,301,623
Rio Linda HS Stadium Phase III Upgrades	546	5,198,543
District Paving	553	571,872
District Plumbing	554	16,380
Water Systems	555	110,520
Security Fences	556	873,620
Security Cameras	557	622,267
Building 7 Parking	558	1,051,328
District Technology Infrastructure	559	3,073,726
District Technology Program	560	67,094
Don Julio JHS Modernization Mechanical/Electrical	563	91,595
John Garcia Environmental Ed. Center (Planning)	567	141,480
Pacific High – New Campus (Planning)	569	75,322
East Natomas Education Center Soft Costs	573	344,426
East Natomas Education Center Land Mitigation	574	5,194,802
Maintenance, Operations and Transportation Soft Costs	577	9,831
Maintenance, Operations and Transportation Land Purchase	578	2,000,250
Administration and Police Services Soft Costs	579	905,597
Furniture	581	12,596
Cost of Issuance for bond advancement		<u>665,000</u>
Total expenditures		<u>\$ 37,559,648</u>