[illegible]

ONTARIO-MONTCLAIR SCHOOL DISTRICT

BUILDING FUND (MEASURE T)
FINANCIAL AND PERFORMANCE AUDIT

JUNE 30, 2014

ONTARIO-MONTCLAIR SCHOOL DISTRICT

BUILDING FUND (MEASURE T)
FINANCIAL AUDIT

JUNE 30, 2014

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

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FINANCIAL SECTION

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

[redacted]

Governing Board and
Citizens' Oversight Committee
Ontario-Montclair School District
Ontario, California

Report on the Financial Statements

We have audited the accompanying financial statements of the Ontario-Montclair School District's (the District), [redacted]

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure T) of the Ontario-Montclair School District at June 30, 2014, and the [illegible]

in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Building Fund specific to Measure T, and are not [illegible]

BUILDING FUND (MEASURE T)

BALANCE SHEET
JUNE 30, 2014

ASSETS		
Deposits and investments	$	42,853
Total Assets	$	45,02[illegible]

LIABILITIES AND FUND BALANCE

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2014

REVENUES		
Interest	$	16,637
Other local revenue		762
Total Revenues		17,399
EXPENDITURES		
Facilities acquisition and construction		
Supplies		
Materials		101,416
Services		
Repairs/service-vendor		67,620
Other services/operating expense		400,013
Building/improve construction		604,072
Equipment		26,082
Total Facilities Acquisition and Construction Expenditures		1,206,878
Interest and other		101,538
Total Expenditures		1,308,416
DEFICIENCY OF REVENUES OVER EXPENDITURES		(1,291,017)
Other Financing Sources (Uses):		
Other sources - proceeds from bond issuance		19,835,000
Other uses - payment to refunded bond escrow agent		(19,733,462)

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Encumbrances

The District utilizes an encumbrance accounting system under which purchase orders, contracts and other

BUILDING FUND (MEASURE T)

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

Investment in County Treasury

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014, consisted of the following:

[illegible]

NOTE 4 - INTERFUND TRANSFER

The Building Fund transferred $5,000,404 to the County School Facilities Fund for the reimbursement of qualifying capital expenditures.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2014, the Building Fund (Measure T) had the following commitments with respect to unfinished capital projects:

MEASURE T PROJECTS	Remaining Construction Commitment	Expected Date of Completion
Vineyard Relo AE59	$ 48,000	12/31/14
Prop 39/ Energy Savings Projects	400,000	12/31/14
[illegible]	[illegible]	[illegible]

INDEPENDENT AUDITOR'S REPORT

Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

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 and
Citizens' Oversight Committee
Ontario-Montclair School District
Ontario, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America

Our consideration of internal control over financial reporting was for the limited purpose described in the first

paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be, significant deficiencies or material weaknesses. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ontario-Montclair School District's Building Fund (Measure T) financial statements are free of material misstatement, we performed tests of its compliance with

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL STATEMENT FINDINGS
JUNE 30, 2014

None reported.

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014

There were no audit findings reported in the prior year's schedule of financial statement findings.

BUILDING FUND (MEASURE T)
PERFORMANCE AUDIT

JUNE 30, 2014

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

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Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

VALUE THE DIFFERENCE

INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board and
Citizens' Oversight Committee
Ontario-Montclair School District
Ontario, California

We were engaged to conduct a performance audit of the Ontario-Montclair School District (the District) Building [illegible]

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 [illegible]

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

JUNE 30, 2014

AUTHORITY FOR ISSUANCE

The Measure T Bonds are issued pursuant to the Constitution and laws of the State of California (the State), including the provisions of Chapters 1 and 1.5 of Part 10 of the California *Education Code*, and other applicable provisions of law. The Bonds are authorized to be issued by a resolution adopted by the Board of Trustees of the District (the Resolution). The County has adopted a resolution pursuant to Section 1540(b) of the *Education Code*, which authorizes school districts and community college districts to issue bonds on their own behalf, and, pursuant to which, the Bonds are being issued by the District.

The District received authorization at an election held on November 5, 2002, to issue bonds of the District in an

4. Requires the school district to conduct an annual independent financial audit and performance audit in accordance with the *Government Auditing Standards* issued by the Comptroller General of the United States of the bond proceeds until all of the proceeds have been expended.

5. Requires the school district to conduct an annual independent performance audit to ensure that the [redacted]

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure T.

2. Determine whether salary transactions charged to the Building Fund were in support of Measure T and not for District general administration or operations.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2013 to June 30, 2014. 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 proceeds of the bonds, were not included within the scope of the audit. Expenditures incurred subsequent to June 30, 2014, were not reviewed or included within the scope of our audit or in this report.

[redacted]

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

JUNE 30, 2014

CONCLUSION

The results of our tests indicated that, in all significant respects, the Ontario-Montclair School District has [illegible]

made for authorized bond projects.

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2014

ONTARIO-MONTCLAIR SCHOOL DISTRICT
BUILDING FUND (MEASURE T)

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2014

There were no audit findings reported in the prior year's schedule of financial statement findings.