

**COTATI-ROHNERT PARK UNIFIED SCHOOL  
DISTRICT**

**PROPOSITION 39/2014 BOND**

**AUDIT REPORT**

**For the Year Ended June 30, 2017**

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**COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT  
PROPOSITION 39/2014 BOND  
For the Year Ended June 30, 2017**

**Table of Contents**

	<u>Page No.</u>
<b>FINANCIAL SECTION:</b>	
Independent Auditor’s Report .....	1 - 2
Program Statement:	
Summary Statement of Revenue & Project Expenditures for the Fiscal Year Ended June 30, 2017 .....	3
Notes to Program Statement .....	4 - 5
Schedule of Findings and Recommendations .....	6
<b>OTHER INDEPENDENT AUDITOR’S REPORTS:</b>	
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statement Performed in Accordance with <i>Government Auditing Standards</i> .....	7 - 8
Independent Auditor’s Report on Compliance with Requirements That Could Have a Direct and Material Effect on the 2014 Bond Program.....	9 - 10

## **FINANCIAL SECTION**



## INDEPENDENT AUDITOR'S REPORT

2014 Bond Citizens' Oversight Committee and  
Governing Board Members  
Cotati-Rohnert Park Unified School District

### **Report on the Program Statement**

We have audited the accompanying Proposition 39/2014 Bond program statement of the Cotati-Rohnert Park Unified School District, as of and for the fiscal year ended June 30, 2017.

### **Management's Responsibility for the Program Statement**

The Cotati-Rohnert Park Unified School District's management is responsible for the preparation and fair presentation of this statement 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 this statement, so that it is free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on this statement 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 program statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the program statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the program statement, 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 program statement 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 program statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the program statement referred to above presents fairly, in all material respects, the cumulative expenditures and allowable costs for the Proposition 39/2014 Bond proceeds for the period audited.



**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have issued our report dated January 8, 2018, on our consideration of the Proposition 39/2014 Bond of Cotati-Rohnert Park 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* in considering the Cotati-Rohnert Park Unified School District's internal control over financial reporting and compliance.

C & A LLP

January 8, 2018  
San Jose, California

# **PROGRAM STATEMENT**

**COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39/2014 BOND**  
**Summary Statement of Revenue & Project Expenditures**  
**For the Fiscal Year Ended June 30, 2017**

	<u>Current Year</u>	<u>From Inception Through June 30, 2017</u>
<b>Revenue:</b>		
Bond Proceeds - Net	\$ -	\$ 46,121,562
Transfer in From General Fund - California Clean Energy Fund	470,670	470,670
Interest Earnings	146,744	337,251
<b>Total Revenue</b>	<u>617,414</u>	<u>46,929,483</u>
<b>Project Expenditures:</b>		
Thomas Page Academy Modular Buildings and Campus Modernization	352,220	12,276,447
Rancho Cotate High School Modernization and Theater/Academic/Gymnasium Building	888,342	5,756,878
Technology Middle School Portables & Campus Rehabilitation	58,853	609,886
Evergreen Elementary Kinder Zone, Lunch Shelter & Computer Lab	76,549	249,602
Districtwide Elementary Playgrounds	25,005	3,820,682
Technology Infrastructure	86,920	5,104,282
Districtwide Technology for Teachers, Students, and Computer Labs	348,100	2,464,609
Maintenance Facility-Martin and Burton Network Operations Center	44,299	751,850
Technology High School, Sonoma State Lease	223,392	446,784
Portable Building Leases	8,280	23,460
Lawrence Jones Middle School Fire Alarm System Replacement	-	56,737
Energy Projects: Lighting, HVAC	-	1,080,129
Bond Project Management and Support	124,603	528,965
Evergreen Elementary Modernization	-	76,097
Marguerite Hahn Portable Relocation from Thomas Page	-	7,212
Richard Crane Reconstruction for Re-Opening	845,720	862,271
Deferred Maintenance Projects	161,810	229,774
Lawrence Jones Presentation Hall Roof Replacement	102,350	102,350
Technology Middle School Design Lab	198,757	198,757
Districtwide Transitional Kindergarten and Other Furniture	178,369	178,369
<b>Total Project Expenditures</b>	<u>3,723,569</u>	<u>34,825,141</u>
<b>Revenue Over (Under) Total Project Expenditures</b>	<u>(3,106,155)</u>	<u>12,104,342</u>
<b>Program Balance Beginning</b>	<u>15,210,497</u>	<u>-</u>
<b>Program Balance Ending</b>	<u>\$ 12,104,342</u>	<u>\$ 12,104,342</u>

*The notes to the program statement are an integral part of this statement.*

**COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39/2014 BOND**  
**Notes to Program Statement**  
**For the Fiscal Year Ended June 30, 2017**

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**NOTE 1 - THE PROGRAM**

Proposition 39 was enacted by the voters on November 7, 2000, and changed the required majority for local voter approval of public school and community college general obligation bonds from two-thirds to fifty-five percent of votes.

In February 11, 2014, the Cotati-Rohnert Park Unified School District Board of Trustees voted unanimously to place Measure B (2014 Bond) on the June 3, 2014 ballot to enable the District to continue providing a quality education.

This local bond measure will generate up to \$80 million, reduced by any issuance cost, for the district to repair and update classrooms and school facilities, and provide the instructional technology critical to a modern education. The cost to the homeowner is no more than \$49 per \$100,000 in assessed (not market) value. The bond measure passed, receiving 63% of the vote from registered voters within the District.

Proceeds from the 2014 Bond can be spent as follows:

- Perform basic repairs and upgrades to provide safe, well-maintained classrooms and other facilities.
- Provide instructional technology upgrades for effective student learning.
- Perform student health and safety, earthquake safety and energy efficiency projects.
- Add or replace classrooms and other facilities to enhance student achievement and accommodate growing enrollment.

The bond resolution provides a more detailed list of allowed uses of the bond proceeds. All projects include a share of bond election and issuance costs and other costs necessary to administer the bond program.

All projects funded by the issuance of 2014 general obligation bonds will be subject to review by the District's Board of Trustees and by an independent citizens' oversight committee.

**NOTE 2 - CITIZENS' OVERSIGHT COMMITTEE**

Duties of the committee include ensuring that bond revenues are expended only for the items approved by the voters in the 2014 Bond election as noted above. The committee must also ensure that no funds are used for any teacher or administrative salaries or other school operation expenses.

Furthermore, the committee is authorized to receive and review copies of the annual independent performance audit and the annual independent financial audit required by Article XIII A, Section 1(b)(3)(C) and Article XIII A, Section 1(b)(3)(D), respectively, of the California Constitution.



**COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT**  
**PROPOSITION 39/2014 BOND**  
**Notes to Program Statement**  
**For the Fiscal Year Ended June 30, 2017**

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The Committee was formed by the Board of Trustees, and met four times in the last fiscal year. The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2017:

<u>Name</u>	<u>Title/Function</u>
Lorrie Abbott	Senior Citizens Organization
Susan Adams	Business Organization, Parent of Enrolled Student
Chrissa Gillies	From the Community at Large
Ryan Kelly	School Connected Organization, Parent of Enrolled Student
Debbie LeBoy	School Connected Organization, Parent of Enrolled Student
Shari Lorenz	Business Organization, School Connected Organization
James Stevens	From the Community at Large

This Committee also provides oversight for the 2016 bond.

**NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basis of accounting utilized in preparation of this report may differ from accounting principles generally accepted in the United States of America. Accordingly, the accompanying program statement is not intended to present the financial position and the results of operations in conformity with accounting principles generally accepted in the United States of America.

Revenue and expenditures incurred for Proposition 39/2014 Bond proceeds are recorded on an accrual basis of accounting. Under the accrual basis of accounting, revenue is recognized when it is earned, not when the payment is received. Similarly, expenses are recognized when they are incurred, not when they are paid.

**NOTE 4 – TRANSFERS**

During the fiscal year ended June 30, 2017, the District transferred \$470,670 in California Clean Energy Jobs Act funds from the District's General Fund to reimburse the 2014 Bond Measure Program for clean energy projects.

**SCHEDULE OF FINDINGS  
AND  
RECOMMENDATIONS**

**COTATI-ROHNERT PARK UNIFIED SCHOOL DISTRICT  
PROPOSITION 39/2014 BOND  
Schedule of Findings and Recommendations  
For the Year Ended June 30, 2017**

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**\*\* No findings or exceptions noted \*\***

**OTHER INDEPENDENT  
AUDITOR'S REPORTS**



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

2014 Bond Citizens' Oversight Committee and  
Governing Board Members  
Cotati-Rohnert Park Unified School District

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 accompanying Proposition 39/2014 Bond program statement of the Cotati-Rohnert Park Unified School District as of and for the fiscal year ended June 30, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the Cotati-Rohnert Park Unified School 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 program financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Cotati-Rohnert Park Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cotati-Rohnert Park Unified School 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 entity's financial statement 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 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 material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting 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 the Proposition 39/2014 Bond of Cotati-Rohnert Park Unified School District's program statement is 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 program 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*.

**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.

C & A LLP

January 8, 2018  
San Jose, California



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON THE  
2014 BOND PROGRAM**

2014 Bond Citizens' Oversight Committee and  
Governing Board Members  
Cotati-Rohnert Park Unified School District

**Compliance**

We have audited Cotati-Rohnert Park Unified School District's (the District) compliance with Proposition 39/2014 Bond of the June 3, 2014 presidential primary election, as approved under Proposition 39, and with the performance requirements referred to in Proposition 39 and outlined in Article XIII A, Section 1(b)(3)(C) of the California Constitution.

**Management's Responsibility**

Compliance with the requirements referred to above is the responsibility of the District's management.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the District's compliance with the laws and regulations identified above based on our audit. We conducted our audit of compliance 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 noncompliance with the compliance requirements referred to above that could have a material effect on compliance with the laws and regulations have occurred. An audit includes examining, on a test basis, evidence supporting the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. The following summarizes specific procedures performed during our audit, but is not intended to be an all-inclusive list:

1. We verified that bond proceeds were deposited in the District's name and invested in accordance with applicable legal requirements.
2. We tested payments made to the architectural service companies and reviewed the terms of the contract.
3. We tested approximately 83% of the 2016-17 expenditures to ensure they were valid, allowable and accurate.
4. We selected one contractor and tested their compliance with the California Uniform Construction Cost Accounting Commission requirements. We verified invoices were paid within the contract terms and verified that invoices were approved by the board of education.



We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

**Opinion**

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Proposition 39/2014 Bond program for the fiscal year ended June 30, 2017.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing over compliance and the results of that testing based on the standards referred to above. Accordingly, this report is not suitable for any other purpose.

*C & A LLP*

January 8, 2018  
San Jose, California