

**TWIN RIVERS UNIFIED  
SCHOOL DISTRICT**

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

**MCCLELLAN, CALIFORNIA**

**PERFORMANCE AUDIT**

**YEAR ENDED JUNE 30, 2017**

**TWIN RIVERS UNIFIED SCHOOL DISTRICT**  
**GRANT JOINT UNION SCHOOL DISTRICT**  
**MEASURE G GENERAL OBLIGATION BONDS**

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**JUNE 30, 2017**

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## **INDEPENDENT AUDITOR'S REPORT**

**Board of Trustees and  
Measure G Citizens' Oversight Committee  
Twin Rivers Unified School District  
McClellan, California**

We have conducted a performance audit of the Grant Joint Union School District Measure G General Obligation Bonds, as administered by Twin Rivers Unified School District for the year ended June 30, 2017.

We conducted our performance audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our conclusion based on our audit objectives. We believe that the evidence obtained provides reasonable basis for the findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 2 of this report which includes determining the compliance with the performance requirements for the Proposition 39 Grant Joint Union School District Measure G General Obligation Bonds 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 District's compliance with those requirements.

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

The results of our tests indicated that, in all significant respects, the Twin Rivers Unified School District expended Grant Joint Union School District Measure G General Obligation Bond funds for the year ended June 30, 2017 only for the specific projects developed by Grant Joint Union School District's Board of Trustees and approved by the voters and the Twin Rivers Unified School District, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

*Gilbert Associates, Inc.*

**GILBERT ASSOCIATES, INC.**  
**Sacramento, California**

**December 21, 2017**

**TWIN RIVERS UNIFIED SCHOOL DISTRICT**  
**GRANT JOINT UNION SCHOOL DISTRICT**  
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**OBJECTIVES**

The objectives of our performance audit was to document that Twin Rivers Unified School District (the District) expended Grant Joint Union High School District Measure G General Obligation Bond (the Measure) funds for the year ended June 30, 2017 only for purposes approved by the voters and only on the specific projects developed by Grant Joint Union School District's Board of Trustees, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution; note any incongruities or system weaknesses; and provide recommendations for improvements.

**SCOPE OF THE AUDIT**

The scope of our performance audit covered the fiscal year ended June 30, 2017. Expenditures incurred after the issuance of the bonds and prior to July 1, 2016, were covered in previous audits. The expenditures included all object and project codes associated with the Bond projects. Expenditures incurred subsequent to June 30, 2017 were not reviewed or included within the scope of our audit.

**BACKGROUND INFORMATION**

On June 6, 2006, \$230,000,000 in general obligation bonds was authorized by voter approval of Measure G (Grant 2006 Bond Authorization). On September 29, 2006, the first series of Bonds in the amount of \$55,000,000 was issued by Grant Joint Union High School District. On June 18, 2008, the second series of Bonds in the amount of \$33,998,991 was issued by Grant Joint Union High School District. On July 1, 2008, Twin Rivers Unified School District was established through the merging of the Del Paso Heights School District, Grant Joint Union High School District, North Sacramento School District and Rio Linda Union School District. On January 8, 2014, the third series of Bonds in the amount of \$38,999,242 was issued by the District. On November 16, 2016, the fourth series of Bonds in the amount of \$49,664,785 was issued by the District for the purpose of repaying a portion of the Grant Joint Union High School District 2007 Certificates of Participation (2007 COP) that were issued to provide interim financing for the Measure's projects. After the issuance of the fourth series of bonds, \$52,336,983 of authorized but unissued general obligation bonds under Grant 2006 Bond Authorization remain. The total proceeds from these bond series', less the bond issuance costs are to be used to finance the planning, construction, renovation, acquisition, furnishing, and equipping of Grant Joint Union High School District facilities.

A Citizens Oversight Committee (the Committee) was appointed to comply with the California Constitution and the Education Code. The purpose of the Committee is to monitor and report on the expenditure of the Measure's bond proceeds, and to inform the public concerning the expenditure of the bond proceeds. Section 1(b)(3)D of Article XIII A of the California Constitution requires an annual performance audit be conducted to ensure that the funds have been expended only on the specific projects publicized by the Grant Joint Union High School District.

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**PROCEDURES PERFORMED**

We obtained the Building Fund general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2017. We performed the following procedures:

- We reviewed the list of projects being performed to verify that the list of intended projects is consistent with the authorized projects as developed by Grant Joint Union School District's Board of Trustees.
- We verified that the District created the required debt service fund and capital outlay fund in order to account for the bond proceeds and expenditures.
- We verified that the proceeds from the sale of bonds were deposited in an appropriate debt service fund and a capital outlay projects fund.
- We determined that the Committee is fulfilling its duties as outlined in the Citizens' Bond Oversight Committee Bylaws.
- We verified the partial repayment of the 2007 COP with the fourth series of Bonds issued on November 16, 2016.

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**RESULTS OF PROCEDURES PERFORMED**

The District utilized the Measure's funds for 41 projects. As of June 30, 2017, issued general obligation bonds under Grant 2006 Bond Authorization have been expended. The District incurred total expenditures of \$307,649,302 through June 30, 2017, for the Measure's costs listed below.

Measure G Projects	Prior Expenditures	June 30, 2017 Expenditures	Total Expenditures	June 30, 2017 Budget	Status
<b>Projects</b>					
Building 7 Parking	\$ 994,920	\$ -	\$ 994,920	\$ 994,920	Completed
Campos Verde Pool Renovation	19,413	-	19,413	19,413	Completed
District Paving (Foothill HS, Highlands AAD, Martin L. King, Jr. TA, Rio Linda HS, Grant HS)	1,589,858	-	1,589,858	1,589,858	Completed
District Technology Infrastructure	5,793,723	-	5,793,723	5,793,723	Completed
District Technology Program	335,744	-	335,744	335,744	Completed
ENEC Land Mitigation	5,194,802	-	5,194,802	5,194,802	Completed
ENEC Contractor - Phase I	67,947,186	-	67,947,186	67,947,186	Completed
Foothill Farms Bldg B HVAC	388,290	-	388,290	388,290	Completed
Furniture	12,596	-	12,596	12,596	Completed
Grant High Stadium - Phase II	3,943,637	-	3,943,637	3,943,637	Completed
Grant West Cooking Classroom Remodel	32,475	-	32,475	32,475	Completed
Highlands HS Toilet Facility	568,263	-	568,263	568,263	Completed
Land Purchases (\$14.3M for ENEC and \$3.1M for Bell Ave)	17,410,131	-	17,410,131	17,410,131	Completed
Land Purchase (Additional 21 acres for ENEC)	9,486,961	-	9,486,961	9,486,961	Completed
Maintenance, Operations and Transportation Land Purchase	2,000,250	-	2,000,250	2,000,250	Completed
MLK Tech Academy Courtyard Beautification	131,849	-	131,849	131,849	Completed
MLK Tech Academy Pool Demo/Fill	216,814	-	216,814	216,814	Completed
Project Management Salaries	3,972,956	-	3,972,956	3,972,956	Completed
Rio Linda HS Weight Room Conversion	582,348	-	582,348	582,348	Completed
Rio Linda Stadium Bleachers	1,583,650	-	1,583,650	1,583,650	Completed
Rio Linda HS Stadium Phase III Upgrades	7,344,018	-	7,344,018	7,344,018	Completed
Rio Linda Preparatory Academy Gym Floor Replacement	98,565	-	98,565	98,565	Completed
Security Cameras (Foothill Farms JHS, Foothill HS, Grant HS/Grant West, Highlands AAD, Martin L. King, Jr. TA, Miles P. Richmond, Norwood JHS, Rio Linda HS, Rio Linda JHS)	1,426,682	-	1,426,682	1,426,682	Completed
Security Fences (Foothill Farms JHS, Foothill HS, Highlands AAD, Martin L. King, Jr. TA, Rio Linda HS/Rio Linda JHS - only through planning)	4,128,905	-	4,128,905	4,128,905	Completed
TRUSD District Office Tenant Improvements	15,727,437	-	15,727,437	15,727,437	Completed
Water Systems	737,740	-	737,740	737,740	Completed
Districtwide - Supplemental Project Support	296,580	-	296,580	296,580	Completed
Districtwide - Facilities Needs & Obligations	20,683	-	20,683	26,383	Completed
ENEC Inspection/Testing/Consultants/Fees/Utilities	5,605,812	-	5,605,812	5,605,812	Completed
Grand Avenue Transportation Building	557,429	-	557,429	557,429	Completed
District Plumbing	18,131	-	18,131	18,131	Completed
Don Julio JHS Modernization M/E (Planning)	476,261	-	476,261	476,261	Completed
ENEC City Water Annexation	75,904	-	75,904	75,904	Completed
ENEC Furniture & Equipment	-	-	-	-	Completed
ENEC Sorrento Road Development	-	-	-	-	Completed
John Garcia Env. Ed. Center (Planning)	552,304	-	552,304	552,304	Completed
Grant HS Auditorium Mod (Planning)	336,524	-	336,524	336,524	Completed
Grant HS Mod - Phase II (Planning)	515,502	-	515,502	515,502	Completed
Pacific High - New Campus (Planning)	164,430	-	164,430	164,430	Completed
Maintenance, Operations and Transportation (Planning)	59,010	-	59,010	59,010	Cancelled
New District Office and Police Services (Planning)	902,738	-	902,738	902,738	Cancelled
<b>Subtotal - Projects</b>	<u>161,250,521</u>	<u>-</u>	<u>161,250,521</u>	<u>\$ 161,256,221</u>	
<b>Debt service</b>					
COP Debt service payments and fees	94,819,848	50,710,404	145,530,252		
Cost of COP Refinancing	122,948,529	-	122,948,529		
<b>Subtotal - Debt service</b>	<u>217,768,377</u>	<u>50,710,404</u>	<u>268,478,781</u>		
<b>Subtotal Measure G Costs</b>	379,018,898	50,710,404	429,729,302		
Less: Proceeds from COP Refinancing	(122,080,000)	-	(122,080,000)		
<b>Total Measure G Costs</b>	<u>\$ 256,938,898</u>	<u>\$ 50,710,404</u>	<u>\$ 307,649,302</u>		

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**CONCLUSION**

Based upon the procedures performed, the Twin Rivers Unified School District has properly accounted for the expenditures of the Grant Joint Union High School District Measure G General Obligation Bonds. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures. Our audit does not provide a legal determination on the District's compliance with specific requirements.

**MANAGEMENT COMMENTS AND RECOMMENDATIONS**

None.