

PIEDMONT UNIFIED SCHOOL DISTRICT

**2006 GENERAL OBLIGATION BONDS
AGREED-UPON PROCEDURES
REPORT
JUNE 30, 2009**



INDEPENDENT ACCOUNTANTS' REPORT ON
APPLYING AGREED-UPON PROCEDURES

Citizens' Fiscal Oversight Committee
Piedmont Unified School District
Piedmont, California

We have performed the agreed-upon procedures, which were agreed to by the management of the Piedmont Unified School District and the Citizen's Fiscal Oversight Committee, to review 25% of the expenditures of the 2006 General Obligation Bond funds for the period of July 1, 2008 to June 30, 2009 for the purpose of verifying if the use of the funds is within the scope of the published materials specifying the intended use of bond funds. We used election documents and District resolutions as the guidance for the intended use of the funds. For any expenditures in question, we will recommend that the District obtain the opinion of legal counsel and we will inform this committee as to the issues. Management is responsible for Piedmont Unified School District's compliance with election documents, district resolutions, and the project priority list. This engagement to perform agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and meets the compliance requirements as outlined in Subparagraph (C) of paragraph (3) of subdivision (b) of section 1 of Article XIII A of the California Constitution. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Financial Summary

1. The 2006 general obligation bond funds were authorized at an election of the registered voters of the District held on March 7, 2006. The District received authorization to issue \$56,000,000 of bonds for the purpose of financing the repair, reconstruction, or replacement of school facilities. The first series of the 2006 bonds was issued in July 2006 with a principal amount of \$14,999,934.
2. Total expenditures and commitments through June 30, 2009, were \$33,619,449.
3. An analysis of expenditures is as follows:

	Prior Periods	Current Period	Total
Current Expenditures			
Books and supplies	\$ 45,117	\$ 86,593	\$ 131,710
Services and operating expenditures	579,831	256,103	835,934
Capital outlay			
Buildings	5,483,055	6,166,751	11,649,806
Sites and site improvements	8,303	77,423	85,726
Equipment	41,273	-	41,273
Total expenditures	<u>\$ 6,157,579</u>	<u>\$ 6,586,870</u>	12,744,449
Contract commitments, June 30, 2009			20,875,000
Total expenditures and commitments			<u>\$ 33,619,449</u>

Available unspent funds from the bonds as of June 30, 2009 are:

2006 General obligation bonds proceeds, series 1	\$ 14,999,934
Less issuance costs	(389,894)
Funds available for construction	<u>14,610,040</u>
Interest income	1,251,211
Total expenditures and commitments	<u>(33,619,449)</u>
Amount available (to be provided)	<u><u>\$ (17,758,198)</u></u>

Agreed Upon Procedures Performed

1. Verify that the expenditure of funds are accounted for separately in the accounting records to allow for accountability.
2. Verify that the net funds from the sale of the General Obligation Bonds were deposited in total into the District's accounts by obtaining settlement statement for the new bond issue and verifying amounts deposited into the building and bond interest and redemption funds.
3. Select at least 25% of the expenditures and verify that the funds expended complied with the purpose that was specified to the registered voters of the District through election materials and district resolutions that were distributed to the voters.
4. Verify that District's internal control procedures are operating according to District policies.
5. Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.

Results of Procedures

1. The 2006 general obligation bond fund expenditures were accounted for separately in the building fund of the District.
2. There were no sales of general obligation bonds during the year.
3. Our review of the expenditures for the year ended June 30, 2009, did not reveal any items that were paid from the general obligation bond funds that did not comply with the purpose of the Bonds that were approved by the registered voters of the District on March 7, 2006. We did not request that management of the District obtain any legal opinions on expenditures for the year ended June 30, 2009.

We reviewed the following invoices:

Warrant Date	P.O. or Warrant Number	Vendor	Description from invoice or estimated payable form	Amount
11/4/2008	831523	Murakami Nelson	Piedmont High School - modernization and seismic upgrade construction documents	191,235.02
11/21/2008	775586	ATI Engineering Services	Haven's Elementary School - design and development	202,720.00
2/5/2009	810397	Murakami Nelson	Piedmont High School - modernization and seismic upgrade construction documents	110,133.15
3/3/2009	831581	Murakami Nelson	Piedmont High School - modernization and seismic upgrade construction documents	167,418.11
3/4/2009	831824	Murakami Nelson	Piedmont High School - modernization and seismic upgrade construction documents	178,354.21
3/28/2009	831636	Seward Schreder	Piedmont High School - maintenance facilities project	424,369.00
5/15/2009	832336	Seward Schreder	Piedmont High School - maintenance facilities project	471,722.67
5/19/2009	832589	Bollo Construction	Piedmont High School - program management services for seismic safety bond program	30,966.87
7/22/2009	833102	Synergy Enterprise	Haven's Elementary School - hazardous materials abatement	114,800.00
7/28/2009	833140	ATI Engineering Services	Haven's Elementary School - design and development	50,680.00
7/28/2009	833136	ATI Engineering Services	Haven's Elementary School - design and development	63,350.00
7/28/2009	833131	Bollo Construction	Haven's Elementary School - program management	43,600.00
8/5/2009	833173	Murakami Nelson	Wildwood Elementary School - design document	94,255.00
8/5/2009	833176	Williams Scottman	Haven's Elementary School	50,982.00
			Total Tested	2,194,586.03
			Total Expenditures	6,586,870.00
			Percent Tested	33.3%

- Our review of the internal control procedures followed on randomly selected invoices revealed no exceptions to the internal control policies of the District.
- Our review of the awarding of contracts and the disbursement of funds revealed no exceptions to the policies of the State and the District.

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

This report is intended solely for the information and use of the Piedmont Unified School District and the Citizen's Fiscal Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

Vavrinek, Ture, Day & Co LLP

Pleasanton, California
January 20, 2010