

**RIVER DELTA UNIFIED SCHOOL DISTRICT**  
**MEASURE J GENERAL OBLIGATION BONDS**  
**PERFORMANCE AUDIT**  
June 30, 2021

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
River Delta Unified School District  
Rio Vista, California

We have conducted a performance audit of the River Delta Unified School District (the "District") Measure J General Obligation Bond funds for the year ended June 30, 2021.

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 a reasonable basis for our findings and conclusions based on our audit objectives.

Our audit was limited to the objectives listed on page 3 of this report which includes determining the compliance with the performance requirements for the Measure J 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 River Delta Unified School 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 River Delta Unified School District to determine the audit procedures that are appropriate for the purpose of providing a conclusion on 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, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, we do not express any assurance on the internal control.

The results of our tests indicated that, in all significant respects, River Delta Unified School District expended Measure J General Obligation Bond funds for year ended June 30, 2021 only for the specific projects developed by the District's Board of Education and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.

  
Crowe LLP

Sacramento, California  
March 4, 2022

RIVER DELTA UNIFIED SCHOOL DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
BACKGROUND INFORMATION

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## 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, "for the construction, reconstruction, 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", upon approval by 55% of the electorate.

Education Code Section 15278 provides additional accountability measures:

1. A requirement that the school district establish and appoint members to an independent citizens' oversight committee.
2. A requirement that the school district expend bond funds only for the purposes described in Section 1(b)(3) of Article XIII A of the California Constitution, and ensuring that no funds are used for any teacher or administrative salaries or other school operating expenses.
3. A requirement to conduct an annual independent performance audit required by Section 1(b)(3)C of Article XIII A of the California Constitution.
4. A requirement to conduct an annual independent financial audit required by Section 1(b)(3)D of Article XIII A of the California Constitution.

## RIVER DELTA UNIFIED SCHOOL DISTRICT MEASURE J GENERAL OBLIGATION BONDS

On November 3, 2020, the electorate of the River Delta Unified School District School Facilities Improvement District #1 (SFID #1) approved the issuance of up to \$45,700,000 in general obligation bonds with greater than 55% of the votes in favor. The abbreviated text of the ballot language was as follows:

*"To upgrade schools, retain/attract quality teachers by repairing leaky roofs; removing asbestos/mold; building science labs; updating aging technology, fire/drinking water safety; repairing, constructing, equipping/acquiring educational facilities to prepare students for college/careers, shall River Delta Unified School District issue \$45,700,000 in bonds at legal rates levying an estimated 6 cents/\$100 of assessed value, averaging \$2,600,000 raised annually while bonds are outstanding, requiring audits, citizens' oversight/all funds used locally, be adopted?"*

On April 13, 2021, the District issued Series 2021 General Obligation Bonds in the amount of \$15,300,000 related to School Facilities Improvement District (SFID) No. 1. The Bonds were issued to finance capital improvement projects within the District, bear interest at rates ranging from 2.0% to 5.0%, and mature through August 1, 2049.

The financial activity related to the Measure J General Obligation Bonds is recorded in the District's Financial Activity Report for Fund 22. The Financial Activity Reports for District Funds 21, 22 and 23 are combined to comprise Fund 21 (Building Fund) in the District's audited financial statements for the year ended June 30, 2021.

RIVER DELTA UNIFIED SCHOOL DISTRICT  
MEASURE J GENERAL OBLIGATION BONDS  
OBJECTIVES, SCOPE, METHODOLOGY AND CONCLUSIONS

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**OBJECTIVES**

The objective of our performance audit was to determine that the District expended Measure J General Obligation Bond funds for the period July 1, 2020 to June 30, 2021 only for the purposes approved by the voters and only on the specific projects developed by the District's Board of Education, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)C of Article XIII A of the California Constitution.

**SCOPE**

The District provided to us a list of all Measure J General Obligation Bond project expenditures for period July 1, 2020 to June 30, 2021 (the "List"). A total of 7 transactions were identified, representing \$382,254 in expenditures from July 1, 2020 through June 30, 2021.

**METHODOLOGY**

We performed the following procedures to the List of Measure J General Obligation Bond project expenditures for the period July 1, 2020 to June 30, 2021:

- Verified the mathematical accuracy of the List.
- Reconciled the list to total bond expenditures as reported by the District in the District's audited Measure J General Obligation Bonds financial statements for the period July 1, 2020 to June 30, 2021.
- Selected a sample of 2 expenditures totaling \$277,254. The sample was selected to provide a representation across specific construction projects, vendors and expenditure amounts. The sample represented approximately 73% of the total dollar value of expenditures. Verified that the expenditures properly charged to the location indicated, were properly coded as to the nature of the expenditure and were made for the acquisition and construction of school facilities, including the furnishing and equipping of school facilities.

**CONCLUSION**

The results of our tests indicated that, in all significant respects, River Delta Unified School District expended Measure J General Obligation Bond funds for the period July 1, 2020 to June 30, 2021 only for the specific projects developed by the District's Board of Education and approved by the voters, in accordance with the requirements of Proposition 39, as specified by Section 1(b)(3)(C) of Article XIII A of the California Constitution.