

ROSEMEAD SCHOOL DISTRICT

**PROPOSITION 39 FUNDING
PERFORMANCE AUDIT – MEASURE RS**

For the Fiscal Year Ended
June 30, 2023

ROSEMEAD SCHOOL DISTRICT
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MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

PARTNERS

CRAIG A HARTZHEIM, CPA
HADLEY Y HUI, CPA
ALEXANDER C HOM, CPA
ADAM V GUISE, CPA
TRAVIS J HOLE, CPA
WILSON LAM, CPA

COMMERCIAL ACCOUNTING & TAX SERVICES

8383 WILSHIRE BLVD., SUITE 800
BEVERLY HILLS, CA 90211
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

INDEPENDENT AUDITOR'S REPORT

The Board of Trustees
The Citizens' Oversight Committee
Rosemead School District
Rosemead, California

We have conducted a performance audit of the Bond Building Fund – Measure RS of the Rosemead School District's (District) compliance with the performance requirements for Proposition 39, as incorporated in Article XIII A of the California Constitution and Education Code Section 15264 et seq., during the fiscal year that ended on June 30, 2023. Management is responsible for the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our performance audit.

We conducted this performance audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to performance audits contained in *Government Audit Standards*, issued by the Comptroller General of the United States, and the performance requirements for the Proposition 39 Measure RS General Obligation Bond under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions 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.

The attached performance audit report as referenced in the table of contents presents the objectives, scope, and methodology of the audit. The performance audit report also includes the results of our performance audit and conclusion.

We have audited the financial statements of the Bond Building Fund – Measure RS for the fiscal year ended June 30, 2023 and have issued our report thereon dated March 29, 2024. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the performance requirements for the Proposition 39 Measure RS General Obligation Bond under the applicable provisions of Section 1(b)(3)(C) of Article XIII A of the California Constitution.

In our opinion, the Bond Building Fund – Measure RS complied, in all material respects, with the aforementioned requirements during the fiscal year that ended on June 30, 2023. This report is intended solely for the information and use of the District’s Governing Board, the Measure RS Citizen Oversight Committee, management, others within the entity, and the taxpayers of the District and is not intended to be and should not be used by anyone other than these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
March 29, 2024

ROSEMEAD SCHOOL DISTRICT
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PERFORMANCE AUDIT – MEASURE RS
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OBJECTIVES

The objectives of our Performance Audit were:

- 1) Document the expenditures charged to the voter approved 2014 General Obligation Bonds.
- 2) Determine whether all expenditures for the fiscal year ended June 30, 2023, charged to the Building Fund Measure RS have been made in accordance with project budgets and guidelines.
- 3) Note any incongruities or system weaknesses and provide recommendations for improvement.

SCOPE OF THE AUDIT

The scope of our Performance Audit covered the period from July 1, 2022 through June 30, 2023. The 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 were not included within the scope of our audit. Expenditures incurred subsequent to June 30, 2023, were not reviewed or included within the scope of our audit.

BACKGROUND INFORMATION

On November 4, 2014, \$30,000,000 in general obligation bonds were authorized by an election held within the District. On December 14, 2017, the District, pursuant to an amended resolution adopted by its Board of Education, issued the 2017 General Obligation Bonds in the amount of \$7,980,000. The issue consisted of: a) Current Interest Series T-2 Bonds in the amount of \$780,000, and b) Series A Term bonds in the amount of \$7,200,000. Yields to maturity range from 2.00% to 4.00% for the Series A Term bonds and fully mature on August 1, 2047. The proceeds from the sale of the bonds were used to finance new construction, renovation, modernization and equipping of school facilities. The Series T-2 bonds have stated interest rates ranging from 2.000% to 4.000% to fund the costs of technology acquisitions.

On September 22, 2021, the District, pursuant to a resolution adopted by its Board of Education, issued the 2021 General Obligation Bonds in the amount of \$9,125,000 with stated interest rates from 0.20% to 2.55%. The proceeds from the sale of the bonds were used to provide funds for the modernization, upgrading and equipping of public education facilities.

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PROCEDURES PERFORMED

We obtained the general ledger and the project expenditure summary reports and detail prepared by the District for the fiscal year ended June 30, 2023 for the Building Fund - Measure RS. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for selected expenditures to ensure compliance with Proposition 39/Measure RS 2014 funding.

We performed the following procedures:

- We reviewed the School Plan Bond Project publicized list of intended projects.
- We selected expenditures in the fiscal year ending June 30, 2023 and reviewed supporting documentation to ensure that funds were properly expended on the specific projects outlined on the publicized list and met the requirements for bidding, if applicable.
- We compared total project expenditures to budgets, to determine if there was any expenditure in excess of appropriations.
- We verified that funds were used for the renovation, construction, and acquisition of classrooms and school facilities at various schools in the Rosemead School District (District) and we verified that funding was not used for salaries of school administrators or other operating expenses of the District.

RESULTS OF PROCEDURES

The District incurred total costs of \$4,119,096 during the fiscal year ended June 30, 2023 and all expenditures were used to repair roofing and windows, remove asbestos and lead paint, repair classrooms of school facilities, and modernization for the District.

CONCLUSION

Based upon the procedures performed, we found that for the items tested, the Rosemead School District has properly accounted for the expenditures of the Proposition 39/Measure RS 2014 General Obligation Bonds. Further, it was noted that the funds were not used for salaries of school administrators or other operating expenditures.