

PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT
REVIEW OF
MEASURE Y, ELECTION OF 2002
GENERAL OBLIGATION BONDS
WITH
**PERFORMANCE PROCEDURES/
ACCOUNTANTS' REPORT**
ON APPLYING AGREED-UPON PROCEDURES
JUNE 30, 2010

**PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT
MEASURE Y, ELECTION OF 2002
GENERAL OBLIGATION BONDS**

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**ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Governing Board
Placentia-Yorba Linda Unified School District
Placentia, California

and

The Citizen's Bond Oversight Committee of the District

We have performed the agreed-upon procedures enumerated in Exhibit A, which were agreed to by Placentia-Yorba Linda Unified School District of Orange County, solely to assist the users in identifying findings and recommendations in the areas with respect to Measure Y, Election of 2002, General Obligation Bonds for the year ended June 30, 2010. This engagement to perform agreed-upon procedures was performed in accordance with standards established by the American Institute of Certified Public Accountants and meets the compliance requirements to perform an "audit" 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 the procedures is solely the responsibility of the specified users of the 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.

The procedures we performed and the associated results, findings and recommendations are described in this report as Exhibits A and B, respectively. We performed the agreed upon procedures and no exceptions were noted.

We were not engaged to, and did not, perform an audit of all financial statements of the District, the objective of which would be the expression of an opinion relating to the matters included in the agreed-upon procedures. 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 use of the specified users listed above and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 23, 2010

**MEASURE Y
ELECTION OF 2002, GENERAL OBLIGATION BONDS
AGREED-UPON PROCEDURES
JUNE 30, 2010**

The Placentia-Yorba Linda Unified School District requested that the following agreed-upon procedures be performed:

- A. Verify that a separate Building Fund of the District has been established to account for the receipt of bond proceeds and expenditures of the funds for the year ended June 30, 2010. Through examination of the bond issue settlement statement and accounting records, verify that the net proceeds from the sale of the General Obligation Bonds were recorded in the separate fund of the District and any amounts set aside for debt service were deposited into the related Bond Interest and Redemption Fund.
- B. Sample contracts and verify compliance with Public Contract Code bid requirements, board approvals, (contracts, amendments, change orders, etc.), and accounts payable policies and procedures that invoices paid to (construction management companies, contractors, and vendors) were within the contract terms and requirements.
- C. Select all materially significant expenditures and at least 30 percent of the total expenditures for the year. Obtain supporting documentation (invoices, purchase orders, receiving documentation, contracts, etc.) and verify that the funds expended complied with the purpose that was specified to the registered voters of the District. Election materials, District resolutions, master plan, and other documents available at the District will be used to determine purpose of expenditures for this purpose.
- D. Verify that salaries charged to the bond fund were for eligible expenditures and not for ineligible salaries.
- E. Note strengths exhibited and any incongruities or weaknesses and provide recommendations for improvements.

**MEASURE Y
ELECTION OF 2002, GENERAL OBLIGATION BONDS
PROCEDURES AND RESULTS
JUNE 30, 2010**

Based upon the performance of the agreed-upon procedures, as discussed in Exhibit A, the following results were noted:

Agreed-Upon Procedure (A)

Objective

Verify that a separate Building Fund of the District has been established to account for the receipt of bond proceeds and expenditures of the funds for the period July 1, 2009 through June 30, 2010. Through examination of the bond issue settlement statement and accounting records, verify that the net proceeds from the sale of the General Obligation Bonds were recorded in the separate fund of the District and any amounts set aside for debt service were deposited into the related Bond Interest and Redemption Fund.

Procedure

We verified the Measure Y, Election of 2002, General Obligation Bonds did not receive additional proceeds during the period July 1, 2009 through June 30, 2010. Proceeds from the Measure Y, Election of 2002, General Obligation Bonds were issued in full in prior years. We verified the District established separate sub-funds within the Building Fund to account for the receipt of bond proceeds and continued to report expenditures of the funds for the period July 1, 2009 through June 30, 2010, within the separate sub-funds of the Building Fund.

Results

There were no exceptions noted.

Agreed-Upon Procedure (B)

Objective

Sample contracts and verify compliance with Public Contract Code bid requirements, board approvals, (contracts, amendments, change orders, etc.), and accounts payable policies and procedures that invoices paid to (construction management companies, contractors, and vendors) were within the contract terms and requirements.

Procedures

The Measure Y, Election of 2002, General Obligation Bond projects are in the completion phase. We verified that there were no new projects during the period July 1, 2009 through June 30, 2010. As a result, the District did not enter into any new contracts that are required to be in compliance with Public Contract Code bid requirements.

Results

This procedure was not applicable for the Measure Y, Election of 2002, General Obligation Bonds.

MEASURE Y
ELECTION OF 2002, GENERAL OBLIGATION BONDS
PROCEDURES AND RESULTS
JUNE 30, 2010

Agreed-Upon Procedure (C)

Objective

Select all materially significant expenditures and at least 30 percent of the total expenditures for the year. Obtain supporting documentation (invoices, purchase orders, receiving documentation, contracts, etc.) and verify that the funds expended complied with the purpose that was specified to the registered voters of the District. Election materials, District resolutions, master plan, and other documents available at the District will be used to determine purpose of expenditures for this purpose.

Procedures

We obtained a detail listing of all expenditures charged to the Measure Y, Election of 2002, General Obligation Bonds and selected a representative sample to determine the District's compliance with provisions and restrictions. Our testing consisted of reviewing purchasing and payment documents pertaining to Measure Y expenditures. This allowed for the determination that expenditures charged to the Measure Y, Election of 2002, General Obligation Bonds were authorized as Measure Y, Election of 2002, General Obligation Bond projects.

Results

The expenditures, satisfactorily complied with the guidelines defined in the ballot measure dated March 5, 2002. For the items not tested, nothing came to our attention to indicate that the District expenditures were not in compliance with the provisions/restrictions in the ballot measure.

Agreed-Upon Procedure (D)

Objective

Verify that salaries charged to the bond fund were for eligible expenditures and not for ineligible salaries.

Procedures

We verified that there were no salaries charged to the Measure Y, Election of 2002, General Obligation Bonds.

Results

There were no exceptions noted.

**MEASURE Y
ELECTION OF 2002, GENERAL OBLIGATION BONDS
PROCEDURES AND RESULTS
JUNE 30, 2010**

Agreed-Upon Procedure (E)

Objective

Note strengths exhibited and any incongruities or weaknesses and provide recommendations for improvements.

Procedures

We inquired with District personnel regarding policies and procedures, and corroborated responses through review of documentation as discussed in Procedures A-D.

Results

No incongruities or weaknesses were noted.

Supplementary Information

**PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT
(Placentia, California)
ELECTION OF 2002, GENERAL OBLIGATION BONDS**

THE BONDS

AUTHORITY FOR ISSUANCE – MEASURE Y

The Bonds are issued pursuant to the provisions of Chapter 1 of Part 10 of Division 1 of Title 1 of the Education Code of the State of California (the "Act") and other applicable law, and pursuant to a resolution adopted by the Board of Education of the District in October 2001 (the "District Resolution"). The District received authorization at an election held on March 5, 2002, by an affirmative vote of 65.7 percent of the votes casted by eligible voters within the District (the "Authorization"), to issue general obligation bonds, not to exceed \$102,000,000. The Bonds represent the first, second and third series of Bonds sold under the Authorization.

PURPOSE OF ISSUE

Pursuant to the Authorization, the proceeds of the Bonds will be used to improve school facilities, upgrade technology, and construct additional classroom and student performance facilities. Specifically, to complete the projects listed in the information given to the voters (the "Bond Project List"). The Bond Project List includes various improvements at all District school sites, the construction of a new school facilities, and the acquisition of certain furnishings and equipment.

PLACENTIA-YORBA LINDA UNIFIED SCHOOL DISTRICT

**MEASURE Y
ELECTION OF 2002, GENERAL OBLIGATION BONDS
SUMMARY OF EXPENDITURES BY PROJECT
JUNE 30, 2010**

Site	Project	Total Measure Y Funds Expended FY 2009-2010 By Project
Melrose ES	New Elementary School	\$ 2,164
Valadez (Southwest) MS	New Middle School	12,238
Yorba Linda HS	New High School	193,679
	OCDE Administration Fees	572
Measure Y Bond Expenditures FY 2009-2010 Total		\$ 208,652