

Proposed Audit Procedures

We will apply the agreed-upon procedures, which the Independent Citizens' Oversight Committee has specified as follows:

1. Verify that a separate Building Fund of the District has been established to account for the receipt of bond proceeds and expenditure of the funds for the year ended June 30, 2010.
2. 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.
3. Select all expenditures over \$100,000 and at least 10 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.
4. For those items selected in item 3, verify that the District's normal purchasing (including quotation and bid requirements) and accounts payable policies and procedures were complied with.

In the event any questionable expenditures are identified, we will recommend that the District obtain opinion of legal counsel and we will inform this committee as to the issues. This engagement is solely to assist the District and the Independent Citizens' Oversight Committee in determining the 2006 General Obligation Bond funds were spent for the specified purposes.