

**MEASURE "A"  
GENERAL OBLIGATION BOND  
BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT  
AUDIT REPORT  
For the Fiscal Year Ended  
June 30, 2022**

**NIGRO & NIGRO<sup>PC</sup>**

**MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT**

*For the Fiscal Year Ended June 30, 2022*

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## *Introduction*

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**MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT**

*Introduction and Citizens' Oversight Committee Member Listing  
For the Fiscal Year Ended June 30, 2022*

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Anderson Valley Unified School District (the District) currently operates one elementary school, and one intermediate/high school. The District also maintains an adult education school and an independent study program along with a state-funded preschool. The District serves approximately 430 students.

On June 8, 2010, the voters of the Anderson Valley Unified School District approved by more than 55% Measure "A", authorizing the issuance and sale of \$15,250,000 of general obligation bonds. The bonds were issued to finance the construction and modernization of school facilities and to pay costs of issuance of the bonds.

The passage of Proposition 39 in November 2000 amended the California Constitution to include accountability provisions. Specifically, the District must conduct an annual independent performance audit to ensure that funds have been expended only on the specific projects listed as well as an annual, independent financial audit of the proceeds from the sale of the bonds until all the proceeds have been expended for facilities projects.

Upon passage of Proposition 39, an accompanying piece of legislation, AB1908 (Chapter 44, Statutes of 2000), was also enacted, which amended the Education Code to establish additional procedures which must be followed if a District seeks approval of a bond proposition pursuant to the 55% majority authorized in Proposition 39 including formation, composition and purpose of the Citizens' Bond Oversight Committee, and authorization for injunctive relief against the improper expenditure of bond revenues.

The Citizens' Bond Oversight Committee was comprised of the following members as of June 30, 2022.

<u>Name</u>	<u>Title</u>	<u>Representation</u>
Ric Bonner	Member	At-Large Community Member
Pilar Echeverria	Member	Business Representative
Glad Donahue	Member	Parent/Guardian of Child in District
Star White	Member	Parent/Guardian of Child in District - Active in Parent Teacher Organization
Philip Thomas	Member	Senior Citizen Group Representative
Nancy Serna	Member	Parent/Guardian of Child in District
Susan Bridgemont	Member	At-Large Community Member
Vacant	Member	Taxpayer Organization Member



## INDEPENDENT AUDITORS' REPORT

The Board of Trustees and the  
Citizens' Bond Oversight Committee  
Anderson Valley Unified School District  
Boonville, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the Measure "A" General Obligation Bond Building Fund of Anderson Valley Unified School District, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Measure "A" General Obligation Bond Building Fund of Anderson Valley Unified School District, as of June 30, 2022, and the changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the *2021-22 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting, Appendix A*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

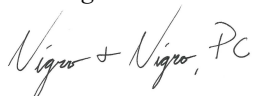
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure "A" General Obligation Bond Building Fund and do not purport to, and do not, present fairly the financial position of the Anderson Valley Unified School District, as of June 30, 2022, the changes in its financial position, for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Murrieta, California  
January 18, 2023

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*Financial Section*

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**MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT**

*Balance Sheet*

*June 30, 2022*

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	<u>Measure "A"</u>
<b>ASSETS</b>	
Deposits and investments	\$ 200,444
Accounts receivable	<u>18,517</u>
<b>Total Assets</b>	<u><u>\$ 218,961</u></u>
<b>LIABILITIES AND FUND BALANCE</b>	
<b>Liabilities</b>	
Accounts payable	\$ 12,259
<b>Fund Balance</b>	
Restricted for capital projects	<u>206,702</u>
<b>Total Liabilities and Fund Balance</b>	<u><u>\$ 218,961</u></u>



**MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT**  
*Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Fiscal Year Ended June 30, 2022*

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	<b>Measure "A"</b>
<b>REVENUES</b>	
Interest earnings	\$ 1,136
<b>Total Revenues</b>	1,136
<b>EXPENDITURES</b>	
Current:	
Services and other operating expenditures	23,610
<b>Total Expenditures</b>	23,610
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(22,474)
<b>OTHER FINANCING SOURCES (USES)</b>	
Other financing source proceeds	18,517
Net Change in Fund Balance	(3,957)
Fund Balance, July 1, 2021	210,659
Fund Balance, June 30, 2022	\$ 206,702

# MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF ANDERSON VALLEY UNIFIED SCHOOL DISTRICT

*Notes to Financial Statements*

*June 30, 2022*

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## NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

### A. Reporting Entity

On June 8, 2010, the District voters authorized \$15,250,000 in General Obligation Bonds (Measure "A") for the purpose of financing the renovation, construction, and acquisition of classrooms and school facilities throughout the District and paying certain costs of issuance of the bonds. The measure, which required a minimum 55% vote for passage, was approved by 65% of the vote. In response, an advisory committee to the District's Governing Board and Superintendent, a Citizens Bond Oversight Committee, was established. The Committee's oversight goals include: informing the public on the expenditures of Bond proceeds, reviewing expenditure reports to ensure that Bond proceeds are expended only for purposes set forth in Measure "A", and ensuring compliance with conditions of Measure "A".

### B. Accounting Policies

The Anderson Valley Unified School District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

### C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The financial statements of the Measure "A" General Obligation Bond Building Fund are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

### D. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

### E. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

**MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2022*

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**NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

**Pooled Funds**

In accordance with Education Code Section 41001, the District maintains all of its cash from the bond proceeds in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited quarterly to participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District’s deposits are maintained in a recognized pooled investment fund under the care of a third party and the District’s share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2022, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

**Pooled Investments**

The District’s investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District’s investment policy limits investment purchases to investments with a term not to exceed three years. Investments purchased with maturity terms greater than three years require approval by the Board of Education. Investments purchased with maturities greater than one year require written approval by the Superintendent prior to commitment. Maturities of investments held at June 30, 2022 consist of the following:

	Reported Amount	Less Than One Year	One Year Through Five Years	Fair Value Measurement	Rating
Investments:					
County Pool	\$ 200,444	\$ 200,444	\$ -	uncategorized	N/A

**Investments – Credit Risk**

The District’s investment policy limits investment choices to obligations of local, state and federal agencies, commercial paper, certificates of deposit, repurchase agreements, corporate notes, banker acceptances, and other securities allowed by State Government Code Section 53600. At June 30, 2022, all investments represented mutual funds and governmental securities which were issued, registered and held by the District’s agent in the District’s name.

**Investments – Concentration of Credit Risk**

The District does not place limits on the amount it may invest in any one issuer.

**MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2022*

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**NOTE 2 – DEPOSITS AND INVESTMENTS (continued)**

**Fair Value Measurements**

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 – Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 – Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 – Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that date if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized – Investments in the Mendocino County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.

**NOTE 3 – ACCOUNTS RECEIVABLE**

The total accounts receivable at June 30, 2022, in the amount of \$18,517 represents advance proceeds receivable from the September 8, 2022 issuance from Measure M. More details surrounding the issuance are presented in Note 7.

**NOTE 4 – GENERAL OBLIGATION BONDS**

Bonds were authorized at an election of the registered voters of the District held on June 8, 2010, at which more than 55 percent of the voters authorized the issuance and sale of general obligation bonds not to exceed \$15,250,000. The bonds are general obligations of the District. The County is obligated to levy ad valorem taxes upon all property within the District for the payment of interest and principal of the bonds. The bonds were issued to finance the construction and modernization of school facilities and to pay costs of the issuance of the bonds.

The District has designated the Series A Bonds as "New Clean Renewable Energy Bonds" under Section 54C of the Tax Code and intends that the Series A Bonds be "Specified Tax Credit Bonds" under Section 6431(f) of the Tax Code which makes the District eligible for the credit payable from the United States Treasury. Such credit payments received by the District are referred to herein as "Refundable Credit Payments." The District has covenanted to deposit the Refundable Credit Payments with the County to be credited to the Debt Service Fund for the Series A Bonds.

**MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2022*

**NOTE 4 – GENERAL OBLIGATION BONDS (continued)**

On May 5, 2020, the District issued \$3,820,000 of 2020 General Obligation Refunding Bonds. The bonds were issued as \$985,000 of serial bonds at a fixed interest rate of 4.00%, \$1,085,000 of term bonds at a fixed rate of 4.00% and \$1,750,000 of term bonds at a fixed rate of 3.00%. The net proceeds, plus an insurance premium of \$307,571 less issuance costs of \$151,261, were used to advance refund \$3,895,000 of the Districts Series B-1 bonds. The net proceeds were deposited with an escrow agent to provide for future debt service payments on the refunded bonds. The savings on the refunding was \$531,598 and the net present value of savings was \$410,817. As a result, the refunded bonds are considered to be defeased, and the related liability for the certificates has been removed from the District's liabilities.

The following is a summary of bonds issued by the District:

Series	Issue Date	Maturity Date	Interest Rate	Original Issue	Balance, July 1, 2021	Additions	Deductions	Balance, June 30, 2022
Series A	10/13/2010	8/1/2027	1.3%-5.6%	\$ 2,200,000	\$ 1,130,000	\$ -	\$ 140,000	\$ 990,000
Series B-1	10/13/2010	8/1/2035	2.0%-6.06%	4,223,485	203,387	-	22,723	180,664
Series C	6/11/2015	6/1/2040	3.98%-5.22%	1,267,414	1,267,414	-	-	1,267,414
2020 refunding	5/5/2020	8/1/2035	3.00%-4.0%	3,820,000	3,770,000	-	-	3,770,000
				<u>\$ 11,510,899</u>	<u>\$ 6,370,801</u>	<u>\$ -</u>	<u>\$ 162,723</u>	<u>\$ 6,208,078</u>

The annual requirements to amortize all general obligation bonds payable outstanding as of June 30, 2022, are as follows:

Fiscal Year	Principal	Interest	Total
2022-23	\$ 171,488	\$ 427,616	\$ 599,104
2023-24	181,374	429,775	611,149
2024-25	290,000	177,088	467,088
2025-26	310,000	162,714	472,714
2026-27	338,223	148,897	487,120
2027-32	1,685,998	971,747	2,657,745
2032-37	2,240,477	1,007,323	3,247,800
2037-40	990,518	1,722,816	2,713,334
Total	<u>\$ 6,208,078</u>	<u>\$ 5,047,976</u>	<u>\$ 11,256,055</u>

General obligation bond payments are made from the District Bond Interest and Redemption Fund maintained by the County.

**NOTE 5 – COMMITMENTS AND CONTINGENCIES**

**Construction Commitments**

At June 30, 2022, the District had no outstanding commitments with respect to unfinished capital projects to be paid for Measure "A".

**MEASURE "A" GENERAL OBLIGATION BOND BUILDING FUND OF  
ANDERSON VALLEY UNIFIED SCHOOL DISTRICT**

*Notes to Financial Statements*

*June 30, 2022*

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**NOTE 6 – OVERSIGHT COMMITTEE**

**Composition**

Education Code Section 15282(a) states that the Citizens' Oversight Committee must consist of at least seven members and must be comprised of the following members: one member shall be active in a business organization representing the business community located within the district, one member shall be active in a senior citizens' organization, one member shall be active in a bona fide taxpayers' organization, one member shall be the parent or guardian of a child enrolled in the district, and one member shall be both a parent or guardian of a child enrolled in the district and active in a parent-teacher organization, such as the Parent Teacher Association or school site council. As of June 30, 2022, the District did not have a member from a bonafide taxpayer's organization.

**NOTE 7 – SUBSEQUENT EVENT**

On June 7, 2022 the District passed Measure M, authorizing the sale of up to \$13,000,000 in general obligation bonds for the purpose of financing the renovation, construction and improvement of school facilities. On September 8, 2022 the District issued \$7,000,000 in Series A General Obligation Bonds. The bonds bear interest rates between 4.0% and 5.0% and will fully mature on August 1, 2052.

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*Other Independent Auditors' Reports*

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**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

The Board of Trustees and the  
Citizens' Bond Oversight Committee  
Anderson Valley Unified School District  
Boonville, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Measure "A" General Obligation Bond Building Fund of Anderson Valley Unified School District as of and for the year ended June 30, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 18, 2023.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Anderson Valley Unified School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Anderson Valley Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Anderson Valley Unified School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

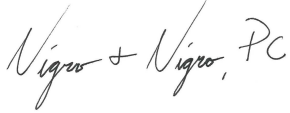


**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Anderson Valley Unified School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in cursive script that reads "Nigro + Nigro, PC".

Murrieta, California  
January 18, 2023



## INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

The Board of Trustees and the  
Citizens' Bond Oversight Committee  
Anderson Valley Unified School District  
Boonville, California

We have examined Anderson Valley Unified School District's compliance with the performance requirements for the Proposition 39 Measure "A" General Obligation Bond for the fiscal year ended June 30, 2022, 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 the District's compliance with those requirements. Our responsibility is to express an opinion on the District's compliance based on our examination.

We conducted this performance audit in accordance with generally accepted government auditing standards. 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.

### Objectives

The objectives of the examination of compliance applicable to the District are to determine with reasonable assurance that:

- The expenditures charged to the Anderson Valley Unified School District Building Fund are documented.
- Expenditures charged to the Building Fund have been made in accordance with the bond project list approved by the voters through the approval of Measure "A".
- Any discrepancies or weaknesses in internal controls are noted and recommendations for improvement are provided.
- The District Board and the Citizens' Oversight Committee are provided with a performance audit report as required under the requirements of the California Constitution and Proposition 39.

### Scope of the Audit

The scope of our performance audit covered the fiscal period from July 1, 2021 to June 30, 2022. 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, other than the proceeds of the bonds, were also included within the scope of our audit. Expenditures incurred subsequent to June 30, 2022 were not reviewed or included within the scope of our audit or in this report.

### **Procedures Performed**

We obtained the general ledger and the project expenditure reports prepared by the District for the fiscal year ended June 30, 2022 for the Building Fund. Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for expenditures to ensure compliance with the requirements of Proposition 39 and Measure "A" with regards to the approved bond projects list. We performed the following procedures:

To meet our objectives, audit tests were performed and included, but were not limited to the following:

- We verified that bond funds were deposited in the District's name and invested in accordance with applicable legal requirements.
- We tested \$19,209 in bond fund invoices paid. This includes testing payments for validity, allowability, and accuracy.
- We reviewed the approved project listing as set out in the Measure "A" election documents.
- We verified that funds from the Building Fund were generally expended for the construction, reconstruction, acquisition, furnishing and equipping of District facilities constituting the authorized bond projects and we verified that funds held in the Building Fund were not used for salaries of school administrators or other operating expenses of the District.

Our audit of compliance made for the purpose set forth in the preceding paragraph would not necessarily disclose all instances of noncompliance.

In our opinion, the District complied with the compliance requirements for the Measure "A" General Obligation Bond proceeds listed and tested above.

This report is intended for the information of the Board of Trustees, management and the Citizens' Bond Oversight Committee; however, this report is a matter of public record.



Murrieta, California  
January 18, 2023