# PERFORMANCE AUDIT

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**JUNE 30, 2014**

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INDEPENDENT AUDITOR'S REPORT ON PERFORMANCE

Governing Board and
Citizens Oversight Committee on Measure M
Palos Verdes Peninsula Unified School District
Palos Verdes Estates, California

We were engaged to conduct a performance audit of the Palos Verdes Peninsula Unified School District, Parcel Tax fund for the year ended June 30, 2014.

We conducted this performance audit in accordance with the standards applicable to performance audits contained in 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 evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

Our audit was limited to the objectives listed within the report which includes determining the District's compliance with the performance requirements as referred to in the Parcel Tax and outlined in the Measure M ballot. Management is responsible for the District's compliance with those requirements.

In planning and performing our performance audit, we obtained an understanding of the District's internal control in order to determine if the internal controls were adequate to help ensure the District's compliance with the requirements of the Parcel Tax as outlined in the ballot measure. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

The result of our tests indicated that the District expended Parcel Tax funds only for the specific expenditures approved by the voters, in accordance with the Parcel Tax as outlined in the ballot measure for Measure M.

Rancho Cucamonga, California
November 26, 2014
AUTHORITY FOR ISSUANCE

Measure M is issue pursuant to the Constitution and laws of State of California (the State) including California Constitution article XIII A, Government Code section 50077, and other applicable provisions of law. It is authorized to be issued by a resolution adopted by the Board of Education of the Palos Verdes Peninsula Unified School District on July 28, 2011 (the Resolution) and subsequently approved by the voters as Ballot Measure M on November 8, 2011.

The District received authorization at an election held on November 8, 2011 to levy tax on all parcels of taxable real property in the District in an amount not to exceed $374.00 per parcel.

PURPOSE OF ISSUANCE

"Without increasing existing taxes and to protect the quality of education and promote student achievement shall Palos Verdes Peninsula Unified School District extend the existing school parcel taxes to fund advanced programs in math, science, and technology, keep classroom technology up-to-date, attract and retain highly qualified teachers, and maintain manageable class sizes, with an exemption for seniors, a cost of living adjustment for inflation, with all money staying in our community to benefit local schools".

OBJECTIVES OF THE AUDIT

1. Determine whether expenditures charged to Parcel Tax fund have been made in accordance with the ballot language approved by the voters through the approval of Measure M.

2. Determine whether salary transactions, charged to Parcel Tax fund, were in support of Measure M.

SCOPE OF THE AUDIT

The scope of our performance audit covered the period of July 1, 2013 to June 30, 2014. The population of expenditures tested included all object codes associated with Parcel Tax. Expenditures subsequent to June 30, 2014 were not reviewed or included within the scope of our audit or in this report.

PROCEDURES PERFORMED

We obtained the general ledger and expenditure reports prepared by the District for the fiscal year ended June 30, 2014 for the Parcel Tax (Measure M). Within the fiscal year audited, we obtained the actual invoices and other supporting documentation for a sample of expenditures to ensure compliance with the requirements of ballot language as to the approved expenditures list. We performed the following procedures:

1. We selected a sample of expenditures for the period starting July 1, 2013 and ending June 30, 2014 and reviewed supporting documentation to ensure that such funds were properly expended on the specific activities listed in the ballot text.
2. We verified that funds from Parcel Tax (Measure M) were generally expended for the retention of qualified, experienced teachers and school employees, advancement of programs in math, science, and technology, and updates to classroom technologies.

CONCLUSION

The results of our tests indicated that, in all significant respects, the Palos Verdes Peninsula Unified School District properly accounted for the expenditures held in the Parcel Tax fund (Measure M) and that such expenditures were generally made for authorized activities noted in the ballot text.
None reported.