

MOJAVE UNIFIED SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE G
FINANCIAL AUDIT
FOR THE FISCAL YEAR ENDED JUNE 30, 2009



SHINAULT BAKER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

MOJAVE UNIFIED SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE G
JUNE 30, 2009

TABLE OF CONTENTS

	Page No.
Independent Auditors' Report	1
Balance Sheet	2
Statement of Revenues, Expenditures and Changes in Fund Balance.....	3
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual....	4
Notes to Financial Statements.....	5
Schedule of Findings and Questioned Costs.....	7
 OTHER INDEPENDENT AUDITORS' REPORTS	
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Basic Financial Statements Performed in Accordance With Government Auditing Standards.....	8
Independent Auditors' Report on Performance.....	10



SHINAULT BAKER & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Trustees
Citizens' Bond Oversight Committee
Mojave Unified School District
Mojave, California

We have audited the accompanying Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District (the "District") as of and for the year ended June 30, 2009. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit of the Proposition 39 General Obligation Bonds Measure G in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements for Proposition 39 General Obligation Bonds Measure G are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Proposition 39 General Obligation Bonds Measure G financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations for the Proposition 39 General Obligation Bonds Measure G as of June 30, 2009, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 8, 2010, on our consideration of the District's internal control over financial reporting and our tests of the District's compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of this audit.

Shinault Baker & Company
Certified Public Accountants
March 8, 2010

MOJAVE UNIFIED SCHOOL DISTRICT
BALANCE SHEET
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE G
JUNE 30, 2009

ASSETS

Cash	\$	5,884,835
Accounts receivable		<u>15,282</u>
Total Assets	\$	<u>5,900,117</u>

LIABILITIES

Accounts payable	\$	<u>39,172</u>
Total Liabilities		39,172

FUND BALANCE

Fund balance		<u>5,860,945</u>
Total Liabilities and Fund Balance	\$	<u>5,900,117</u>

See the accompanying notes and accountants' report.

MOJAVE UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE G
FOR THE YEAR ENDED JUNE 30, 2009

REVENUES

Interest income	\$	136,294
-----------------	----	---------

		Total Revenues
--	--	----------------

		136,294
--	--	---------

EXPENDITURES

Capital outlay		38,712
----------------	--	--------

Supplies and materials		1,429
------------------------	--	-------

Professional and consulting		268,450
-----------------------------	--	---------

Travel and conference		3,856
-----------------------	--	-------

		Total Expenditures
--	--	--------------------

		312,447
--	--	---------

OTHER FINANCING SOURCES

Proceeds from the sale of bonds		6,037,098
---------------------------------	--	-----------

		Total Other Financing Sources
--	--	-------------------------------

		6,037,098
--	--	-----------

NON FINANCING SOURCES

Interfund transfers		-
---------------------	--	---

		Total Non Financing Sources
--	--	-----------------------------

		-
--	--	---

		Net Change in Fund Balance
--	--	----------------------------

		5,860,945
--	--	-----------

FUND BALANCE, BEGINNING OF YEAR		-
---------------------------------	--	---

		-
--	--	---

FUND BALANCE, END OF YEAR		\$ 5,860,945
---------------------------	--	--------------

		\$ 5,860,945
--	--	--------------

See the accompanying notes and accountants' report.

MOJAVE UNIFIED SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE G
FOR THE YEAR ENDED JUNE 30, 2009

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES			
Interest income	<u>\$ -</u>	<u>\$ 136,294</u>	<u>\$ 136,294</u>
Total Revenues	-	136,294	136,294
EXPENDITURES			
Capital outlay	-	38,712	(38,712)
Supplies and materials	-	1,429	(1,429)
Professional and consulting	-	268,450	(268,450)
Travel and conference	<u>-</u>	<u>3,856</u>	<u>(3,856)</u>
Total Expenditures	-	312,447	(312,447)
OTHER FINANCING SOURCES			
Proceeds from the sale of bonds	<u>6,037,098</u>	<u>6,037,098</u>	<u>-</u>
Total Non Financing Sources	<u>6,037,098</u>	<u>6,037,098</u>	<u>-</u>
NON FINANCING SOURCES			
Interfund transfers	<u>-</u>	<u>-</u>	<u>-</u>
Total Non Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 6,037,098</u>	<u>\$ 5,860,945</u>	<u>\$ (176,153)</u>

See the accompanying notes and accountants' report.

MOJAVE UNIFIED SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE G
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 1 GENERAL INFORMATION

The Mojave Unified School District (District) provides education for grades K-12 in Mojave in the State of California. The District maintains eight schools within the communities of Mojave and California City. The District consists of four elementary schools, two middle schools, and two high schools.

Measure G is a facilities and equipment bond measure for the District adopted by the Board of Trustees and passed by voters on November 4, 2008. The District was authorized by Measure G to issue up to \$14,000,000 of general obligation bonds for the acquisition, construction, furnishing, and equipping of District facilities.

The Board of Supervisors is empowered and is obligated to levy property taxes, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates), for payment of principal and maturity value of and interest on the bonds.

The District has established a separate capital project fund and debt service fund to account for the activities of the Measure G bonds.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Policies

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and Audits of State and Local Governmental Units issued by the American Institute of Certified Public Accountants (AICPA).

Fund Structure

The Statement of Revenues, Expenditures and Changes in Fund Balance is a statement of financial activities of the Proposition 39 General Obligation Bonds Measure G related to the current reporting period. Expenditures frequently include amounts for land, buildings, equipment, retirement of indebtedness, transfers to other funds, etc. Consequently, this statement does not purport to present the result of operations or the net income or loss for the period as would a statement of income for a profit-type organization.

Basis of Accounting

The Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District is maintained on the modified accrual basis of accounting. As much, revenues are recognized when they become susceptible to accrual, which is to say, when they become both measurable and available to finance expenditures of the current period. Expenditures are recognized in the accounting period in which the liability is incurred (when goods are received or services rendered).

Cash in the County Treasury is recorded at cost, which approximates fair value, in accordance with the requirements of GASB Statement No. 31.

MOJAVE UNIFIED SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE G
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget

The Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual includes a column titled “Budget”. The amounts in this column represent the budget adopted by the Board and all amendments throughout the year.

Capital Assets and Long-Term Debt

The accounting and reporting treatment applied to the capital assets and long-term liabilities associated with the Proposition 39 General Obligation Bonds Measure G are determined by its measurement focus. The Fund is accounted for on a spending or “financial flow” measurement focus. This means that only current assets and current liabilities are generally included on the balance sheet. The reported fund balance is considered a measure of “available spendable resources”. Thus, the capital assets and long-term liabilities associated with the Proposition 39 General Obligation Bonds Measure G are accounted for in the basic financial statements of the Mojave Unified School District.

NOTE 3 BONDED DEBT

General Obligation Bond Issued in January 2009

On November 4, 2008 the voters authorized the issuance and sale of general obligation bonds. On January 15, 2009, \$6,037,098 of general obligation bonds were sold under Proposition 39/Measure G which provided that proceeds of the bonds will generally be used for the acquisition, construction, furnishing, and equipping of District facilities. Interest rates vary from 3.00% to 5.95%. The bonds mature in 2033.

The outstanding related bonded debt for the Mojave Unified School District at June 30, 2009 was:

Date of Issue	Interest Rate %	Maturity Date	Amount of Original Issue	Outstanding July 1, 2008	Additions Current Year	Redeemed Current Year	Outstanding June 30, 2009
2009	3.00-5.75	2033	\$ 6,037,098	\$ 6,037,098	\$ -	\$ -	\$ 6,037,098

**MOJAVE UNIFIED SCHOOL DISTRICT
PROPOSITION 39 GENERAL OBLIGATION BONDS
MEASURE G
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2009**

Current Year Findings

There were no findings and questioned costs.

Prior Year Findings

N/A

OTHER INDEPENDENT AUDITORS' REPORTS



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

Board of Trustees
Citizens' Bond Oversight Committee
Mojave Unified School District
Mojave, California

We have audited the accompanying Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District (the "District") as of and for the year ended June 30, 2009, which collectively comprise the Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District's financial statements and have issued our report thereon dated March 8, 2010. We conducted our audit in accordance with 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Entity's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Proposition 39 General Obligation Bonds Measure G District's financial statements that is more than inconsequential will not be prevented or detected by the Proposition 39 General Obligation Bonds Measure G District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weakness. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weakness, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Proposition 39 General Obligation Bonds Measure G of the Mojave 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 material effect on the determination of financial statement amounts. 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.

This communication is intended solely for the information and use of the Board of Trustees, Citizens' Bond Oversight Committee and management of the Mojave Unified School District, and the taxpayers of Mojave Unified School District. It is not intended to be and should not be used by anyone other than these specified parties.



Shinault Baker & Company
Certified Public Accountants
March 8, 2010



INDEPENDENT AUDITORS' REPORT ON PERFORMANCE

Board of Trustees
Citizens' Bond Oversight Committee
Mojave Unified School District
Mojave, California

We have audited the accompanying Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance and Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual for the Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District (the "District") as of and for the year ended June 30, 2009, which collectively comprise the Proposition 39 General Obligation Bonds Measure G of the Mojave Unified School District's financial statements and have issued our report thereon dated March 8, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

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 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.

In connection with our performance audit, we performed an audit for compliance as required in the performance requirements for the Proposition 39 General Obligation Bonds Measure G for the fiscal years June 30, 2009. The objective of the audit of compliance applicable to the District is to determine with reasonable assurance that:

- The proceeds from the sale of the Proposition 39 General Obligation Bonds Measure G were only used for the purpose set forth in the ballot measure and not for any other purpose, such as teacher and administrative salaries.
- The Board of Trustees of the District, in establishing the approved projects set forth in the ballot measure, evaluated the remodeling, new constructions and renovations of items which will improve learning and to accommodate growth in the District, with no funds expended on administrator salaries.

In our opinion, the District complied with the compliance requirements for the Proposition 39 General Obligation Bonds Measure G.

This report is intended solely for the information and use of the Board of Trustees, Citizens' Bond Oversight Committee and management of the Mojave Unified School District, and the taxpayers of Mojave Unified School District. It is not intended to be and should not be used by anyone other than these specified parties.


Shinault Baker & Company
Certified Public Accountants
March 8, 2010