

LINDSAY UNIFIED SCHOOL DISTRICT

**GENERAL OBLIGATION BONDS
AGREED-UPON PROCEDURES AUDIT**

JUNE 30, 2009



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

Board of Directors
Lindsay Unified School District
Lindsay, California

We have performed the procedures enumerated below, which were agreed to by the management of the Lindsay Unified School District, with respect to the Election of 2002, Series 2007B and Series 2007C General Obligation Bonds and with respect to the Election of 2008, Series 2008A and Series 2008B General Obligation Bonds to assist the District in fulfilling its oversight responsibility regarding the Bonds. The Bonds were authorized at elections of the registered voters of the District at which more than fifty-five percent of the persons voting on the propositions voted to authorize the issuance and sale of not more than \$7,200,000 principal amount of Election of 2002 General Obligation Bonds and not more than \$20,700,000 principal amount of Election of 2008 General Obligation Bonds. The Series 2007B and Series 2007C were issued in October 2007 in the principal amounts of \$759,998 and \$2,132,223, respectively. The Series 2008A and Series 2008B were issued in December 2008 in the principal amounts of \$6,614,212 and \$1,189,679, respectively. The Bonds were issued to finance the renovation, modernization, and construction of various school facilities throughout the District. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these 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.

Procedures Performed

1. Verify that the funds were accounted for separately in the accounting records to allow for accountability.
2. Verify that the net funds from the sale of the General Obligation Bonds were deposited in total into the District's Bond Accounts.
3. Verify that all interest earned on the Bond funds were deposited in the Bond Accounts.
4. Verify that the funds expended complied with the purpose that was specified to the registered voters of the District respective elections.
5. Verify that the State and District policies were followed in the awarding of bids and expenditure of the funds.

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Stated Findings

I. Financial Summary

1. Revenue

	<u>Amount</u>
General Obligation Bonds were issued and sold	\$ 10,696,112
Interest and other income earned and paid through June 30, 2009	<u>511,600</u>
Total available for projects	<u>11,207,712</u>

2. Analysis of Expenditures

Services	993,153
Capital outlay	<u>24,545</u>
Total expenditures for projects	<u>1,017,698</u>
Total available	<u>\$ 10,190,014</u>

3. Available unspent funds as of June 30, 2009 are \$10,190,014.

II. Compliance Summary

1. The General Obligations Bond funds were accounted for separately in the Building Fund of the District.
2. The net proceeds from the sale of the General Obligation Bonds were deposited into the appropriate Bond Accounts.
3. All interest on the Bond Funds was deposited in the Bond Accounts.
4. Our review of the expenditures for the period July 1, 2008 through June 30, 2009, revealed no items that were paid from the General Obligation Bond funds that did not comply with the purpose of the Bonds that were approved by the registered voters of the District.
5. Our review of the awarding of contracts and the disbursement of funds revealed no exceptions to the policies of the State and the District.

We were not engaged to, and did not perform an examination, the objective of which would be the expression of an opinion on the District's Internal Control System. 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 for the use of the Lindsay Unified School District, and should not be used by those who have not agreed to the procedures and have taken responsibility for the sufficiency of the procedures for their purpose.

Varrinck, Trime, Yang & Co. LLP

Fresno, California
February 26, 2010