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Board Approved:) H E U X D U \

Financial and Performance Audits
Building Fund (Measure K)
June 30, 2020

Ontario-Montclair School District

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FINANCIAL AUDIT

Independent Auditor's Report 1

Financial Statements

Balance Sheet 3
Statement of Revenues, Expenditures, and Changes in Fund Balance 4
Notes to Financial Statements 5

Independent Auditor's 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* 10

Schedule of Findings and Questioned Costs

Financial Statement Findings 12
Summary Schedule of Prior Audit Findings 13

PERFORMANCE AUDIT

Independent Auditor's Report on Performance 14

Authority for Issuance 15

Purpose of Issuance 15

Authority for the Audit 15

Objectives of the Audit 16

Scope of the Audit 16

Methodology 16

Conclusion 17

Schedule of Findings and Questioned Costs

Schedule of Findings and Questioned Costs 18
Summary Schedule of Prior Audit Findings 19

Financial Audit
Building Fund (Measure K)
June 30, 2020

Ontario-Montclair School District

Independent Auditor's Report

Governing Board and
Citizens Oversight Committee
Ontario-Montclair School District
Ontario, California

Report on the Financial Statements
We have audited the accompanying financial statements of the Ontario-Montclair School District's (the District), Building Fund (Measure K), as of and for the year ended June 30, 2020, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statement in accordance with accounting principles generally accepted in the United States of America; this includes 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.

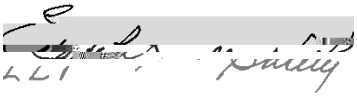
Auditor's Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose o

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Building Fund (Measure K) of Ontario-Montclair School District as of June 30, 2020, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter
As discussed in Note 1, the financial statements of the Building Fund specific to Measure K are intended to present the financial position and the changes in financial position attributable to the transactions of that Fund. They do not purport to, and do not, present fairly the financial position of Ontario-Montclair School District as of June 30, 2020, and the results of its operations for the year then ended in conformity 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 15, 2021, on our consideration of Ontario-Montclair School 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 Ontario-Montclair School 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 Ontario-Montclair School District's internal control over financial reporting and compliance.



Rancho Cucamonga, California
January 15, 2021

Revenues	
Other local revenue	$ 837,128
Expenditures	
Current	
Supplies	31,698
Services and other operating expenditures	1,984,501
Capital outlay	

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Ontario-Montclair School District's (the District) Building Fund (Measure K) conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA). The Ontario-Montclair School District Building Fund accounts for financial transactions in accordance with the policies and procedures of the California School Accounting Manual.

Financial Reporting Entity

The financial statements include only the Building Fund of the Ontario-Montclair School District used to account for Measure K projects. This Fund was established to account for the expenditures of general obligation bonds issued under Measure K. These financial statements are not intended to present fairly the financial position and results of operations of the Ontario-Montclair School District in compliance with accounting principles generally accepted in the United States of America.

Fund Accounting

The operations of the Building Fund are accounted for in a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Resources are allocated to and accounted for in the fund based upon the purpose for which they are to be spent

Investment in County Treasury

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statement at amounts based upon the District's pro-rata share of the fairly value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the San Bernardino County Treasury Investment Pool has been rated AAAf/S1 by Fitch Ratings as of June 30, 2020.

Note 3 - Accounts Receivable

Accounts receivable at June 30, 2020, consisted of the following:

Interest	$ 165,683

Note 4 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

Services and other operating expenditures	$ 133,868
Capital outlay	811,346
	$ 945,214

Independent Auditor's Report
June 30, 2020

Ontario-Montclair School District

Independent Auditor's 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*

Governing Board and
Citizens Oversight Committee

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 Ontario

None reported.

There were no audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Performance Audit
Building Fund (Measure K)
June 30, 2020

Ontario-Montclair School District

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Independent Auditor's Report on Performance

Governing Board and
Citizens Oversight Committee
Ontario-Montclair School District
Ontario, California

We were engaged to conduct a performance audit of the Ontario-Montclair School District (the District) Building Fund (Measure K) for the year ended June 30, 2020.

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.

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 Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution and Appendix A contained in the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* issued by the California Education Audit Appeals Panel. 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 Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution, but not for the purpose of expressing an opinion of the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control. Had we performed additional procedures; other matters might have come to our attention that would have been reported to you.

The results of our tests indicated that the District expended Building Fund (Measure K) funds only for the specific projects approved by the voters, in accordance with Proposition 39 and outlined in Article XIIIA, Section 1(b)(3)(C) of the California Constitution.

This report is intended solely for the information and use of the District and is not intended to be and should not be used by anyone other than this specified party.

Rancho Cucamonga, California
January 15, 2021

2. The school district must list the specific school facilities projects to be funded in the ballot measure and must certify that the governing board has evaluated safety, class size reduction and information technology needs in developing the project list.

3. Requires the school district to appoint a citizen's oversight committee.

c. We selected all expenditures that were individually significant expenditures. Individually significant expenditures were identified as individual transactions (expenditures) that exceeded approximately two percent of the total expenditures incurred.
d. For all items below the individually significant threshold identified in item 2c, judgmentally selected expenditures based on risk assessment and consideration of coverage of all object codes, including transfers out, and projects for period starting July 1, 2019 and ending June 30, 2020.

3. Our sample included transactions totaling $3,855,354. This represents 31 percent of the total expenditures of $12,637,217.

4. We reviewed the actual invoices and other supporting documentation to determine that:
   a. Expenditures were supported by invoices with evidence of proper approval and documentation of receipting goods or services.
   b. Expenditures were supported by proper bid documentation, as applicable.
   c. Expenditures were expended in accordance with voter-approved bond project list.
   d. Bond proceeds were not used for salaries of school administrators or other operating expenses of the District.

5. We determined that the District has met the compliance requirement of Measure K if the following conditions were met:
   a. Supporting documents for expenditures were aligned with the voter-approved bond project list.
   b. Supporting documents for expenditures were not used for salaries of school administrators or other operating expenses of the Districts.

Conclusion

The results of our tests indicated that, in all significant respects, the Ontario-Montclair School District has properly accounted for the expenditures held in the Building Fund (Measure K) and that such expenditures were made for authorized Bond projects.